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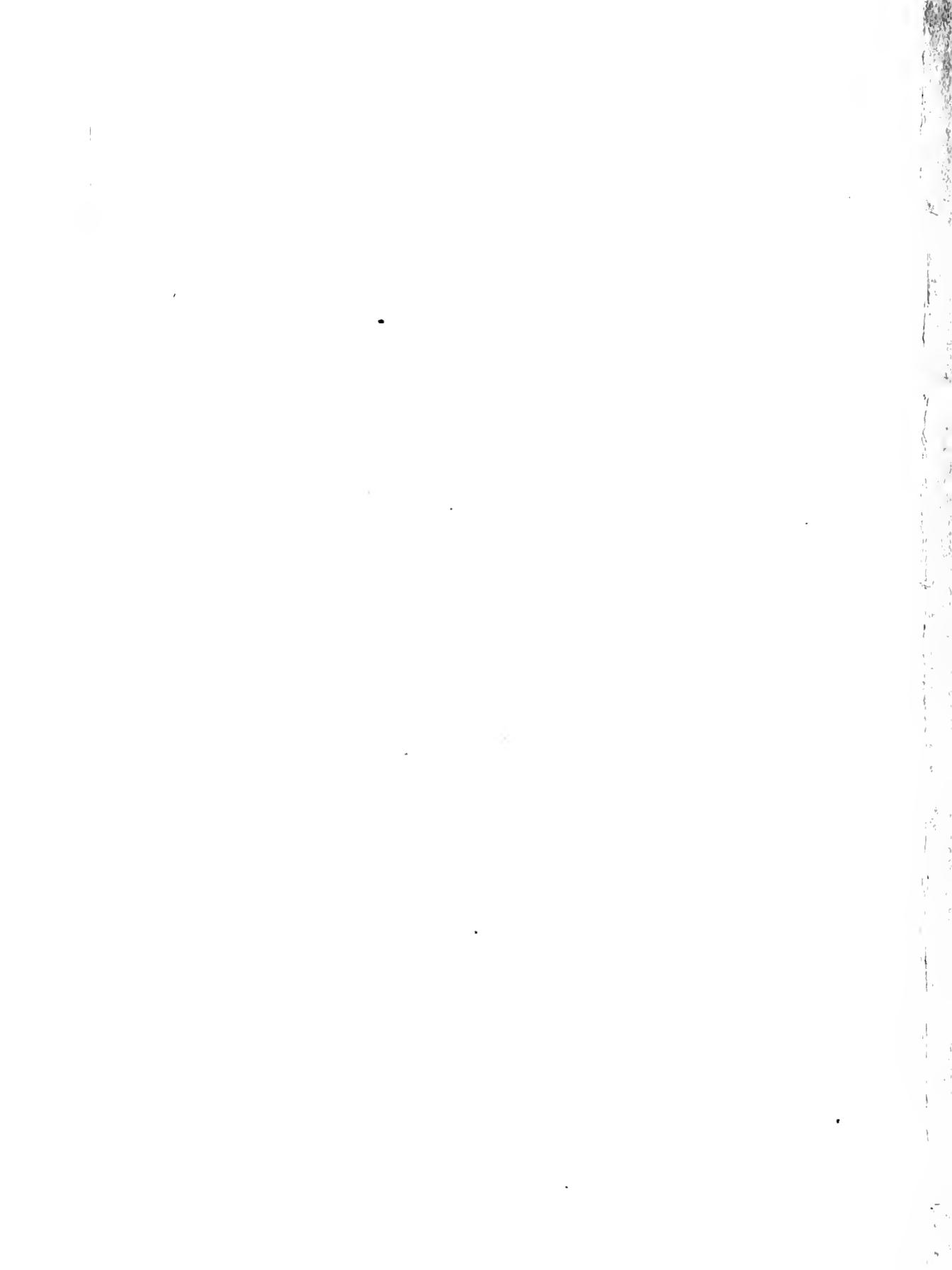
379-391

Oct-Dec.

1946

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U.S.  
The Department of State

Vol. XV, No. 379  
October 6, 1946

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*The Department of State* bulletin

VOL. XV, No. 379 · PUBLICATION 2638

*October 6, 1946*

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, 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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SUBSCRIPTION :  
52 issues, \$3.50 ; single copy, 10 cents  
Special offer : 13 weeks for \$1.00  
(renewable only on yearly basis)

Published with the approval of the  
Director of the Bureau of the Budget

## GERMAN DOCUMENTS: CONFERENCES WITH AXIS LEADERS

*The Führer and the Duce, with their military and diplomatic advisers, discuss the war situation at the time of the Allied invasion of Sicily, the supply of vital raw materials, U-boat warfare, conversion of naval vessels for transport purposes, new secret weapons, plans for strengthening Italian defenses in Sicily and on the mainland, and the reinforcement of military and civilian morale.*

**Memorandum of Conversation Between the Führer and the Duce in North Italy on July 19, 1943. Also Present Under Secretary of State Bastianini, Ambassadors Mackensen, Hewel and Alfieri, Field Marshals Keitel and Ambrosio, and Generals Warlimont and Rintelen**

The Führer opened the conference with a discussion of the military situation. One could not draw conclusions as to the outcome as a whole from partial evidence, for the present war was no war of single states like the German-French War of 1870 - 1871, but it was a struggle being fought for the destiny of Europe. Experience demonstrated that historically such conflicts had never proceeded at an even pace, but that always after a certain time the decision fell in favor of one or another of the contending parties. It was, therefore, a question of producing the necessary basic materials which were required for carrying on a war, in order to conclude the struggle victoriously. To that end there were necessary certain prerequisites of a material and of a personal nature.

With regard to the material bases for conducting the war, there were several factors in possession of the Axis which must not be destroyed, since such destruction would mean the end of the Axis' power to carry on the war. Since the entry of America into the war the material sides of the struggle had assumed an especially important character. This did not mean at all that the material position of

the Axis was unfavorable. It was generally overlooked by the world at large that before the war England had 13,000,000, America 18,000,000, but Germany 23,000,000 workers engaged in industry. Also American industry was one-sided and concentrated in certain areas, while German industry was much more comprehensive and well grounded.

Regarding iron and steel production, that was completely assured in the area controlled by Germany. Iron-ore production would be sufficient in any circumstances. Plentiful supplies existed in the territory of the German Reich, especially in Lorraine, even though the ore from there did not have such a high iron content as the Swedish ore which was imported into Germany.

Coal was also available in quantity. In addition there was also the coal and iron, and ore as well, from the East, which was now available to the Reich.

Of more importance than iron was the manganese supply from Nikopol, which was absolutely essential for production of high-grade steel. Also molybdenum, which came only from the Balkans, was of great importance for steel production, and chrome, which previously had been secured exclu-

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These are translations of documents on German-Italian conversations, secured from German Government files, and are among the German official papers which the BULLETIN is currently publishing.

sively from Turkey but was now being imported from the former Yugoslav area and from Bulgaria. These substances were of absolutely vital importance for carrying on the war. Without them the war effort would come to a halt. If the Balkans were lost Turkey would also be lost as a source of chrome, and steel production would no longer be possible. In such a case the important supply of molybdenum also coming from the Balkans would no longer be available either.

Nickel, too, was among the basic substances which were absolutely vital for carrying on the war. For that reason there were German divisions in Finland to protect the nickel mines of Petsamo.

The supply of copper from the Balkans was procured from the mines of Bor, while phosphates had unfortunately been lost with North Africa.

Petroleum was just as important. For this reason the Führer had had the intention to secure the petroleum resources of the Caucasus. This undertaking had unfortunately not succeeded. For that reason the Rumanian petroleum area was now all the more important.

The vital importance of the aforementioned basic materials required the assignment of forces for the protection of the areas producing them. In order to provide for this one must understand the industrial bases of the conduct of the war. This understanding was often lacking in military circles. This lack of understanding had appeared in the past even in Germany. For instance, the Führer had had, in dealing with military circles, to go thoroughly into the importance of the Donets Basin for war industry before he had been able to convince the military leaders that the manganese ore derived from there could not be replaced by any feats of valor if the Donets Basin were once lost. The number of troop units necessary for the defense of such territories would have to be employed. Without nickel and without chrome, for examples, the production of airplane engines would cease completely, so that in these cases also the necessary defense of the sources of production was essential.

Passing to the question of the food supply, the Führer remarked that that could only be solved by possession of the Ukraine. Regarding the objection sometimes raised that the Ukraine did not export food, he declared that this was so at the moment, but that the Ukraine nevertheless sup-

plied the army of millions stationed in the East, so that no additional supplies were required for them. The Ukraine could export additional amounts if more fuel were available for agriculture, especially for the tractors. At this point again arose the periodically reappearing necessity of deciding between provision of fuel for the troops in the field or for agriculture.

If North Norway, over which the transport of iron ore from Sweden passed, were to be lost, and North Finland with its nickel deposits, Krivoi Rog with its ore fields, the Balkans with their supplies of copper, chrome and molybdenum, it would mean the end of the Axis' capacity to carry on war. If, however, the safety of these areas could be assured the war could be carried on indefinitely. Its continuation would then be only a question of mobilizing the necessary labor force. This was a matter of will-power in determining to shrink from no severity which might be required to save the nations from disaster. One must not hold the basically false idea that disasters of the present could be made good by later generations. History had numerous examples showing that nations had often required hundreds of years to recover from disasters. Besides, he (the Führer) took the position, possibly somewhat lacking in modesty, that no greater man was coming after him, who would be able to manage affairs better. Therefore he was sacrificing his whole time and his personal convenience in order to obtain the decision in his own lifetime. He was, accordingly, determined to adopt the sternest measures to make full and complete use of the possibilities which were undeniably at hand.

Historically, there had always been fluctuations in the course of wars. The only thing that mattered was the final result. As to when the war would end, in previous history, even the victors themselves had not been able to supply an answer during the course of the war. They had only preserved the iron determination to conquer throughout the alternations between attack and defense and thereby in the end come through to victory.

It was also wrong to say that the war should have been postponed until a higher degree of armament had been attained. Experience demonstrated that there was always something that seemed to be missing to complete a country's readiness, so that one could really never fix upon a moment when preparedness was complete. The

Führer accompanied this expression of opinion with several examples from history and added that the course of the war itself had made possible the further development of Germany's armed force. Before the war Germany had built Tanks I, II, and III, and, if war had not broken out, would probably have produced them in larger quantities. In the light of experience during the war, however, it was now realized that these tanks were entirely worthless and improved models had been concentrated upon.

At this moment there was handed to the Duce a message on the basis of which he made an announcement of the air attack on Rome. It had struck the main railway station, the Corso Vittorio Emanuele, the University, and other places in the city.

In the further course of the discussion the Führer declared that in several fields, as for example in U-boat warfare, difficulties had been encountered. This was of no consequence for the ultimate development of the U-boat war since the English, even at the end of the World War, had asserted that U-boat warfare had been eliminated for all time by the convoy system. That this was not the case had been sufficiently demonstrated by the course of events. Thus now again in a short time the difficulties which had been encountered in the U-boat war would be overcome. Even now the statistics of sinkings had begun to rise again, which was in part to be accounted for by the change in methods of attack. Measures had already been taken which would again make valueless the defensive steps undertaken by the English and Americans against the U-boats. The U-boats would be equipped with devices by whose help they could not be detected by the enemy without becoming aware of it. Also deceptive apparatus would be installed, as a result of which a turning point would be definitely attained in the U-boat war, especially as in the early part of the year a large number of new ships would be produced equipped with the aforementioned latest technical devices. Thus the English supply lines would again be attacked in very strong force and the U-boat arm, which was the principal weapon in the struggle against the English, would again come into full play. As regards the Luftwaffe, mass production of airplanes was now just beginning to get under way. Even so the production figure was already much higher in comparison with the previous year

and, while at the moment there was still the problem of machine tools, in a very brief time production would so increase that the problem would lie rather in the training of crews.

In tanks Germany was completely predominant and had now produced in the "Panther" a new mass production tank of 40 or 45 tons, which would be turned out in great quantity.

Next the Führer referred to a new weapon, concerning which he did not wish to give any details, but which by the end of the winter would be employed against the English and against which they would have no defense. Germany also had no defense against it except her geographical position, whereas with respect to other weapons, as, for example, the magnetic mines and the sonic mines, when these devices were used, she had already devised a defense against them.

Passing on to military operations the Führer declared that in the East it was a problem of weakening the enemy to the greatest extent possible before the beginning of the winter. Not only the 21 divisions which had been lost at Stalingrad, but additional divisions as well were being reconstituted. In the previous year 32 divisions, among them 8 light armored divisions (4 SS divisions and 4 regular divisions) had been assigned for the attack on Mesopotamia. Unfortunately they had had to be employed during the winter in Russia to surmount the crisis there, whereby the idea of their original employment had had to be changed. If the winter crisis in Russia had not arisen, these 32 divisions would have been able to capture the entire Mesopotamian oil-producing area of the English.

The creation of new units naturally took time. The greatest emphasis had to be laid on the thorough training of officers. Also their outfitting with equipment required considerable periods of time. Germany was constituting 46 divisions anew, which were being supplied with the most effective type of equipment. The bottleneck in this situation was especially the production of motor trucks and self-propelled vehicles, not of tanks. If one considered that a division required 5,000 motor trucks, without which they could not operate in the East at all, one could form a picture of the difficulties of equipping them.

In connection with the crisis which had arisen the Führer declared that he must emphasize in every way that Germany had given to the Luftwaffe everything which she could give and that

she was not neglecting others' territories in favor of her own. She had to supply terrific extents of front with Luftwaffe material, beginning with the North, where the convoys had to be protected which brought the iron ore from Sweden to Germany. If there were no more iron, no more airplane motors could be built. So these transport routes must be protected. This was being done with the assistance of an excellent ground organization, which, for example, in Norway, where at the entry of the German troops only a small number of airfields were in existence, now had available over 50 airfields, in part equipped with runways from 1½ to 2 kilometers long, which permitted even the overloaded planes to get a start. These airfields Germany had constructed in a brief period of time by exerting great energy and employing ruthlessly every form of labor. Thus with the help of this ground organization Germany was able to get the most possible out of the Luftwaffe, since the units at hand could be quickly allocated in accordance with the requirements of the situation and could be readily reassigned to take up their activity in the most distant sections of the country.

It was the same way with the organization in the East. Here also were a large number of airfields which made it possible to move units from Leningrad and to employ them on the central front and, if necessary, even farther south in the Kuban. All this was possible only because of the marvelous ground organization whose value could certainly not be set too highly. This could only be attained if each individual man were so well disciplined that no one left his field during attacks, but took refuge in shelter trenches and immediately after the disappearance of the last enemy bomber carried out repairs with utmost energy and in the briefest time, so that the field would be usable again as soon as possible. On the vast air front extending from Kirkenes to Hendaye, as well as in southern and eastern Europe, one could operate only with a ground organization which sternly and ruthlessly compelled every man to keep his place in spite of enemy attacks and to continue his work.

The individual fields were generally so arranged that the machines were completely dispersed over the area. To provide the necessary space often caused great hardship. In Germany, however, they had not held back on that account. Whole

areas had been razed for these purposes. In the course of these operations an inquiry had been made of him (the Führer) as to whether a village in which his ancestors had lived should not be spared. He had refused to do so and that village also had been removed to provide an extension for an airfield. For him only one thing counted: Victory!

If, as had happened, some 300 or 400 machines out of 500 or 600 were destroyed on the ground, that meant that the organization was bad. In situations like that no attention could possibly be given to private interests. Every hardship experienced now was a smaller hardship in comparison with what would happen if the war were lost. Germany had drawn the necessary conclusions from realizing this. Attention to private interests had been eliminated. Airfields had been enlarged, runways for the planes had been built, and shelters for the individual planes against fragmentation had been provided wherever these were necessary, without regard to private objections. Even the question of damages was of no consequence. If the war were won damages could be paid. If it were lost, that would not be necessary, since those who might present the claims for damages would not be alive.

The Führer described it as absolutely intolerable that in Sicily, through unskillful and unsoldierly conduct of the ground personnel, on one day 27 machines should have been destroyed on the ground and on another day 25. The labor forces for these airfields must be made up by Italy herself. That sort of personnel could not, of course, be supplied from Germany. The necessary men were simply not available. With a thorough and efficient organization the losses of planes on the ground could be kept down to a very small percentage. In Germany it amounted to 1.2 percent. If the Luftwaffe were to lose as many planes in the East as had been the case in Italy through poorly organized airfields, they would have succumbed to the Russians long ago.

The Russians on their part maintained, in general, an excellent airfield discipline. They dispersed the machines properly, protected them by shelters, and repaired damage which had been incurred very quickly, so that attacks on Russian airfields no longer paid.

One could not employ more machines than he had. But he could employ those that he had more

carefully and thereby increase their effectiveness, a lesson which had been learned on other fronts.

If there were lost through destruction on the ground some 3,000 or 4,000 planes, there were required 2 million first-class workers to replace them, while on the other hand, only 200,000 to 300,000 ordinary laborers were required to avoid such losses by the proper operation of the ground organization. The conclusion to be drawn from such a comparison was apparent. Therefore the Luftwaffe had carefully investigated every case of destruction of planes on the ground and by court-martial proceedings had determined why the destruction had occurred, what steps had been taken to prevent it, and when the field would again be usable. Against those at fault proceedings had been taken with barbaric severity. Some of the courts martial had imposed death sentences.

The English in general were just as thorough in their ground-force organization. On Pantelleria and in Sicily they had frequently constructed air strips of 1½ kilometers in length within a few days. It was tragic to see how quickly the English solved such problems which created such difficulties for the Italians (and which did not even arise either in the East or in the West on the German airfields). To illustrate how important the repair operations after attacks on airfields were, the Führer cited a case where 27 machines had suffered damage to their tires in landing because bomb splinters had not been picked up and removed. The Duce would have to appoint officers who would see with their own eyes that the necessary measures were carried out. For only when they saw these things with their own eyes could they form a picture of the true situation in such cases. The Führer emphasized this with examples drawn from his own experience where, for example, fortifications had been reported to him as having been completed, which on observation turned out to have been scarcely begun.

One of the prerequisites for utilizing properly the aviation material which Germany could deliver was the aforementioned efficient ground organization. If for 10 months in a row 100 machines a month were lost, that represented 1,000 fewer machines which were available for training or operations and which were entirely unnecessarily and uselessly destroyed on the ground. This was inexcusable folly, when one considered that highly skilled workers in airplane factories which

in Germany were located in areas in danger of bombing were thus working at the risk of their life to no purpose at all. It was not the number of planes which was decisive. The World War had shown that, but it was a matter of having one's own weapon so firmly in hand as to be able to make up for weaknesses by its more efficient use. [Germany and Italy were weaker than England and America.]<sup>1</sup>

To what a situation the neglect of the airfields might lead was shown by the example of the special bombing formations, which for a start under full load required a starting runway of 1,800 meters in length. Because no such runway was available on any Italian airfield, these very useful bomber groups had to take off from French airfields in order to make an attack in Sicily.

These were all matters which were best taken up by the Italian and the German air commanders in the presence of the Duce, in order that the difficulties and the responsibility, as well as the amount of assistance required, be made completely clear.

In Field Marshal von Riechthofen he had made available the best Luftwaffe officer, who, everywhere where he had been active, had been able to clear up all difficulties, especially since, by juggling the number of machines which were available to him and by passing from one sector of the front to another, he had always been able to employ his strength most effectively where it was required.

In connection with the discussions of the strategic situation the Führer recalled that it had required very strong pressure on the German Navy by himself personally to compel it to employ warships for transport purposes. At the time of the Norwegian campaign the Navy had done this for the first time, even though with much gnashing of teeth. Now, with the new High Command of the Navy, there were no longer any difficulties in this respect. Convoys could not be protected fully by the Luftwaffe. There must also be a defending force of ships and scouting craft, and no one must abandon a damaged ship but must attempt by every means to put out the fires and repair the damage. In this way Germany would have a much stronger sea-transport system, so that the exchange of ore and coal between Sweden and the Ruhr area could be carried on under the eyes of the enemy. This

<sup>1</sup>This sentence stricken out in the original.

sort of convoy could not, however, be protected by fighting planes. Such planes, taking into account the flight out and back, could remain with the ship at most only from 10 to 20 minutes, so that a huge number of fighter planes would be required if the protection of the convoys was to be assured by fighters alone.

In this connection the Führer referred to the necessity of employing cruisers also as transport ships, since these swift vessels were less easily assailable from the air. He referred in that connection to the example of the English cruisers which had kept Malta supplied through the most difficult times. All of the objections raised by the Navy on grounds of prestige must be rejected. The cruisers must have their turrets removed and they must be employed for more useful purposes. It was here not a question of being to blame or not to blame, but only one of profiting by experience and determining how one could do the thing better. It was folly to allow cruisers to lie in harbors when one well knew that some day they would be damaged from the air. He had on similar grounds withdrawn the *Scharnhorst* and the *Gneisenau*, as well as several cruisers, from Brest, in order to make use of them for other purposes. Regarding the objection raised as to who then in time of peace would display the German flag on the high seas, he had taken the position that only those who had actually engaged in combat could display the flag, that was to say the U-boats. For Sardinia, Corsica, and the Dodecanese the speediest means of transport of the kind which he had mentioned were necessary. In such a matter sentiment must be eliminated. Thus he had removed the guns from the battleships and had mounted them as coast artillery batteries on the Norwegian coast in the neighborhood of Narvik, Trondheim and Bergen. Regarding the objection that one ought not to break up such noble ships, he could only reply that they were only noble if they could use their guns and that the ships must either fight or be converted to transports. If they were not suitable for either they would have to be scrapped.

Regarding the defense of the areas held by the Axis against hostile landing attempts, the Führer was of the opinion that the enemy must always be attacked at the very seashore, as otherwise the counter-attack divisions would have no purpose. The coast-defense units must be ordered to defend

themselves until forced to surrender. The officers must realize that if they retreated it meant the end for them. Only if all the troops inside the defense system carried out their orders and held out to the end could the large-scale intentions of the attack be determined. If there was a general withdrawal of the first lines of the defense, one would never learn which of the various landing attempts of the enemy were the true ones and which were only deceptions. It was only if the defense held out to the utmost that one could assume that at the point where a break-through then occurred a large-scale attack was being launched and could accordingly concentrate the counter-attack divisions against it.

This system had been followed for instance, at Dieppe, where the attacks had been stopped right on the beaches and actually by a single regiment which had been assigned the duty of coastal defense on the sector. If their defense had not been so keen the 29 transports which were lying out at sea would have been able to come into the harbor and to land their troops there, and the English would have been able to realize their actual intention of creating a large beachhead.

The landing places at which the landing of troops was possible were generally known and must be everywhere defended to the utmost. The same held good for the ports. In the West the most energetic officers had been named commanders of the port cities, since without harbors the large ships could not land troops anywhere and any landing attempt without ports would be very much dependent on the weather. The troops assigned to the defense of the harbors had been given the command to resist or die.

Passing to the question of Sicily the Führer declared that he was of two minds on this subject. If it were possible to insure the supply line, Sicily should be defended and at a certain point the defense should be transformed into an attack. For this, however, it was necessary that the hinterland also be made secure. If this were not the case, it would be better to withdraw from Sicily, although he was sure that this would cause a severe blow to morale.

The best thing, of course, would be if the island could be defended and, as he had already indicated, the defense could be turned after a period into an attack, which, of course, would have to be carried out by other arms. The Americans could surely not hold out against the rocket projectors and

heavy tanks which would then be employed. These weapons could only be employed, however, if the supply of munitions and fuel for them were assured. For this the protection of the supply lines was an absolute necessity, especially the protection of the crossing to Messina.

For defensive operations strong and well outfitted infantry divisions were far better than Panzer divisions, which were good on the attack but were not suited for defense.

It was here a question of making a basic decision whether one actually wanted to put up a defense. In that case it would be essential to draw the necessary conclusions with a completely fanatical outlook. If the struggle was not to be continued it meant that every man who was sent to Sicily from here on was pure loss.

For the protection of the supply lines Reich Marshal Göring was prepared to concentrate a large number of flak batteries at Messina. Batteries of 10.5 and 12.8 centimeters could be brought up from other parts of Italy, where they could be replaced by arms brought from Germany. If 60 or 80 or perhaps even 100 heavy flak batteries could be concentrated at the crossing to Messina he believed that it was not impossible that in that way the transit traffic could be completely protected. Several of these batteries, as for example the 12.8, which could attain a range of 14 kilometers, could be transported only by railway. They could, however, be employed against targets out at sea as far as 20 kilometers.

Then the Führer came to the question of prevention of attacks from the sea in the area of the Straits of Messina, for which he could supply 21-centimeter long-barrelled batteries, and 24-centimeter batteries, and could even bring up the German 28-centimeter batteries which were now at Constanța.

It was of decisive importance, however, that every soldier and every officer who abandoned a naval coast-defense battery as long as even one more shot could be fired, should be shot. There was presented here a problem in indoctrination, which, judging by experience, would require some time. Therefore, Germany would at first provide determined and experienced German gun crews along with any batteries which were supplied.

For defense against attacks on South Italy a great many more units must be concentrated in the "boot" than were there at present.

Basically, it was important to know whether it was believed that the decisive battle would take place in Italy itself. If that were the case it meant that every man who from now on was transported over to Sicily was pure loss. Panzer divisions which had been once lost could only be reconstituted very slowly. For armored warfare was very much a matter of routine and experience and therefore required a long period of training and practice for the troops. However, if it was intended to hold Sicily, then the necessary conclusions, even the most extreme, must be drawn. In such a case Germany would send superior troops down there. Such a decision required great capacity in the way of leadership. What was now done in Sicily could not be recalled. Many German units must be dispatched down there in order first to establish a defensive front and, following that, a front suitable for an attack.

In this connection the Führer spoke again of the airfield organization and declared, with reference to his previous remarks, that approaches, facilities for storing planes, and shelters must be provided at all costs, and that, just as in Germany, the airfields must be immediately repaired and searched for fragments and slow-burning incendiaries. Also the air raid warning system must be set up effectively. Under those circumstances the increasing arrivals of planes could be taken care of properly. At first there must be accomplished through the aforementioned good ground-force organization what Germany was not able to accomplish by force of numbers. If the position in Sicily were held and attacks were concentrated on the English supply lines, it would come about as he had previously indicated that, as a result of the recently begun U-boat war, the English in a few months would find themselves in the greatest difficulties. The Sicilian expedition could result for them in a catastrophic defeat (a Stalingrad).

He (the Führer) had always been against putting off a good deed to the next day. So also he was not in favor of saying that Sicily would not be held, but that South Italy would. Then finally one would only be able to hold Central Italy, and next only North Italy. The farther forward the line of defense lay, the more effective it would be, and it would also have a favorable effect on the areas in the interior which were endangered by air raids. Thus he could conceive that some day the English would halt their air attacks on the in-

terior areas in Germany and concentrate them on the areas around Cape Gris Nez.

As he had said, if it were determined to hold out, the hardest conclusions must be drawn, just as he had taken the most severe measures in Germany. Young people 15 years of age were being employed as assistants in the air force on the flak batteries. The fire-fighting forces in the areas threatened by air raids were composed of the old and very young people together. Women were being used to a far reaching extent to increase the labor supply. Since the peasant women were needed on the land and many women had already been employed in industry, these measures affected principally women from the middle and upper classes of society. At the same time he had taken action on the front and had dismissed even experienced officers who had temporarily lost their nerve. Italy also was now confronted by the necessity of making a basic decision, which involved drawing the sternest conclusions and made it necessary to break down all resistance.

Among the troops it was a question coming down to the individual man. The morale must be upheld by the officers. Just as a bad attitude in a district unit of the Party indicated that the district unit leader was poor, so bad morale among the troops must be blamed on the officers. The latter must maintain the proper morale among their men.

If a nation lost faith, and looked to its future without confidence, the sternest measures must be taken even as they affected personalities. The people wanted to see something accomplished and their morale must be reestablished by energetic action. Stalin, by the sternest measures, had completely restored the home front which had threatened to collapse.

With regard to purely material requirements the Führer declared that it was certain that a request for 2,000 planes from Germany could not possibly be fulfilled in practice and therefore had little purpose. It was also not possible simply to transfer elements of the Luftwaffe from the East to Italy, since, because of the entirely different tactics, they would have to be given a training period of several months. Specialized units with most effective types of machines would be available in a few months. There were immediately available two special bomber groups which used a special type of bomb, on which they had been drilled for

two years. If anything happened to these units, they could not be replaced.

The war would be won by tanks, anti-tank guns, airplanes and flak. In the construction of tanks Italy should not allow herself to be governed by considerations of prestige, but she should construct the models which Germany had proved after the expenditure of a huge amount of money for experimentation. For instance, work had been carried on on the "Panther" since 1941. For that reason Italy ought not to undertake new experiments. The same held good for anti-tank guns and airplanes, in which, however, according to the statements of the Luftwaffe, Italy had produced some outstanding fighter types. Also in the case of motors he asked that Italy should build the same types which Germany had developed with great effort.

In conclusion the Führer came to the question of the Southeast. The occupation forces on Crete were on too small a scale, even if they had a correct conception of the defensive tasks which were assigned to them. The preservation of order in the rearward areas was of extreme importance. If roads were blown up it made no difference for what reason it happened, whether from anti- or pro-Axis sympathies. The damage in any case was extremely great. For that reason there must be no others bearing arms in the Balkan area, except German and Italian soldiers. The Balkans must be combed over again and again until the last non-German or non-Italian bearer of arms was seized and made harmless.

In connection with Greece the Führer remarked that he would assemble all Greeks who were not usefully occupied into labor battalions and would put them to work on necessary fortification construction. He had no idea of carrying out these measures through the Greek Government and with the help of money payments, which would mean a great loss of time and a large factor of uncertainty. The time for toleration had definitely ended. The only bearers of arms must be, as he had said, the Italians, otherwise the English would land and they would have immediately at their disposal in Serbia, Montenegro, and perhaps also in Croatia, an army consisting of the Communists of those areas, whom they would only have to equip with modern weapons. It was a good thing that hard blows had been delivered against these bands re-

(Continued on page 639)

## NATIONALIZATION IN GREAT BRITAIN—THE FIRST YEAR

By Irwin M. Tobin

*A discussion of the legislative steps taken in Great Britain during the first year of the Labor Government to bring under public ownership segments of the British economy: the Bank of England; the fuel and power industries; inland-transport services; the iron and steel industry (in part); overseas telecommunications; civil aviation; the development of atomic energy; and the purchase of cotton.*

### I. The Program

The public ownership of basic industries, as Prime Minister Clement Attlee pointed out at the June 1946 annual conference of the Labor Party, is the “distinctive side” of the Labor program. The Labor Party’s electoral declaration of April 1945, entitled “Let Us Face the Future”, adopted in large measure the schemes of national economic planning projected in the Coalition White Paper of 1944. British Labor, however, went beyond the Coalition in standing before the electorate on a platform which called for the enlistment of certain basic industries in the “direct service of the nation” through public ownership and management. To quote the platform statement:

“ . . . Britain needs an industry organized to enable it to yield the best that human knowledge and skill can provide. . . . Each industry must have applied to it the test of national service. . . . There are basic industries ripe and over-ripe for public ownership and management in the direct service of the nation. . . . ”

Accordingly, the Labor Party proposed, if elected, to place under public ownership, “on a basis of fair compensation”, the production of fuel and power (coal, gas, and electricity); inland-transport services (rail, road, air, and canal); and the iron and steel industry. The Party also

proposed that the Bank of England should, through nationalization, be incorporated in the state planning machinery.

Labor having been elected by an overwhelming majority,<sup>1</sup> the order of priorities in carrying out this program was announced in the Speech from the Throne which opened the first session of the present Parliament on August 15, 1945. In this initial statement of Government policy the coal-mining industry and the Bank of England were selected for early nationalization as part of the general plan designed to secure British industry’s “maximum contribution to the national well-being . . . by suitable control or by an extension of public ownership”. However, Labor’s five-year program remained uncertain until November 19, 1945, when Herbert Morrison, Lord President of the Council, made it plain that the Government intended to fulfil, with only one possible exception, the nationalization program formulated in “Let Us Face the Future”. The electricity and gas industries, he declared in the House of Commons, would be nationalized as part of the scheme “for the coordination of the fuel and power industries”; unification in the field of transport would similarly

<sup>1</sup> Labor, 393; Conservative, 189; all others, 58. The popular vote gave roughly 15,000,000 to the Labor and allied parties, and 10,000,000 to the Conservatives and their supporters.

require national ownership of railways, canals, and long-distance road haulage. While dock and harbor enterprises with "certain ancillary activities" were to be included in the transport plan, ocean-going and coastwise shipping were specifically removed from its scope. Thus, of the enterprises scheduled for nationalization in the general election campaign, only the future of iron and steel remained in doubt; Mr. Morrison revealed that the Government would await completion of a Coalition-initiated report from the British Iron and Steel Federation before undertaking to decide the "future organization" of the industry.

The presentation of the Federation's report to the Cabinet in December 1945 was followed after many months of Cabinet discussion by a decision announced on April 17, 1946 that the position of the steel industry and its importance in the national economy required a large measure of public ownership. With this announcement the Government gave notice that it intended, within its five-year term of office, to carry out to the full its electoral pledges. Meanwhile, however, the Government had proposed four further measures of nationalization in the economic field: overseas telecommunications, civil aviation, the development of atomic energy, and the continuation of the bulk purchase of cotton by the Government.

## II. The Bank of England

The Bank of England was the first enterprise to be nationalized under the Labor program. The bill "to bring the capital stock of the Bank of England into public ownership" and to provide for its direction by a Government-appointed Governor and Board was introduced on October 10, 1945 and became law some four months later, on February 14, 1946. It provided for the transfer to the Government of the capital stock of the Bank, shareholders being guaranteed an annual income from Government securities equal to the average earned over the last 20 years. The only clause in the act which gives the Bank (and therefore the Government) new powers is that which enables it, if so authorized by the Treasury, to require joint-stock banks to comply with its policy recommendations and requests for information.

According to Hugh Dalton, Chancellor of the Exchequer, public ownership of the Bank means the effective occupation of "the key position for

economic . . . and financial planning". However, the Government made it clear, in proposing nationalization, that the policies and personnel of the Bank would remain substantially unchanged. The act, in effect, legalizes a long tradition of cooperation between the Treasury and the Bank, and simply guarantees that, in the event of a difference of opinion between the two, the former will have the final word.

That the position of the Bank in the nation's economy will remain substantially unchanged was foreshadowed by the cooperation of Lord Catto, Governor of the Bank, and the reappointment by the Government of most of the incumbent members of the Bank's Court of Directors, to which only three new members were added. Against a background of intimate cooperation between the Bank and the Treasury, general agreement as to the fairness of the compensation terms, and universal praise for the caliber of the Government's appointees to the Court of Directors, the transition to public ownership was accomplished smoothly. Lord Catto, referring to the Bank's new status, undoubtedly echoed the opinion of the vast majority when he declared, in February, that the "Old Lady of Threadneedle Street" had come through "her major operation in fine shape".

## III. Coal

The bill for the nationalization of the coal industry—of far greater significance than the Bank of England measure—was introduced on December 20, 1945, sent to the House of Lords on May 20, 1946, and received the royal assent on July 12, 1946. It provides that all mines and ancillary establishments—coal itself having been nationalized in 1938—will pass to the state, owners being compensated by Government securities in an amount based upon the earning capacity of each firm, after an estimate of the earning capacity of the industry as a whole has been determined by a three-man tribunal. The management of the entire industry, according to the terms of the bill, is to rest in the hands of a National Coal Board of nine members, who are to be selected by virtue of their wide experience in industry, science, labor, or finance. They are to serve full time and receive salaries comparable to those of industrial managers, \$34,000 a year for the chairman and \$20,000 for the remaining members. While the Board is to enjoy considerable freedom of action, it will be

subject to general directions issued by the Minister of Fuel and Power, who is in turn to be advised by two councils of consumers, industrial and domestic. A sum of \$600,000,000 will be made available by the Treasury during the next five years for the urgently required modernization of the mines. It is further provided that the books of the industry are to balance "on an average of good and bad years". Emanuel Shinwell, Minister of Fuel and Power, admonished the delegates to the recent Labor Party Annual Conference that subsidization of nationalized industries from the Exchequer would be "the way to bankruptcy".

The urgency with which the Government regards the future of the nationalized coal industry is suggested by the composition of the National Coal Board, which is already informally at work. Lord Hyndley, its chairman, has been associated with the coal industry for 40 years, having served as director of the efficient Powell-Duffryn Coal Company, director-general of mines in the Ministry of Fuel and Power, and chairman of the London Coal Committee. The Board's two experts in labor relations are Sir Walter Citrine, formerly secretary of the Trades Union Congress and chairman of the World Federation of Trade Unions, and Ebby Edwards, formerly secretary of the National Union of Miners. Sir Charles Reid, author of the Reid Report on the efficiency of the mining industry, is regarded as one of the ablest and most progressive mine operators in the country. Professor Ellis is rated as one of the most capable scientists in Britain. These men and their colleagues make up what the *Economist* describes as "a talented Board, representing great experience of colliery technique, labor organization, science, and commercial practice".

The Board will assume its task of reorganization and modernization against a grim background of declining coal production, which may result next winter in unemployment of over a million industrial workers. It will fall heir to an inefficiently organized and critically undermanned industry which is, at the same time, the linchpin of the British economy. It is hardly surprising, therefore, that Mr. Shinwell should refer to nationalization of the coal industry as an "audacious experiment" upon the success of which the entire future of the Labor program will depend. "If it should fail", he warned the Labor Party conference, "we

cannot hope to promote further schemes of nationalization."

#### IV. Civil Aviation

The bill to establish wholly state-owned civil-aviation services was placed before the House of Commons on April 5, 1946, passed its final stage in that House on July 11, and rested in the "committee" of the House of Lords when the Parliamentary recess began early in August. Excepting only private, club, and charter flying, the Government plans to take over, with reasonable compensation, all existing civil-aviation assets and merge them into three public corporations covering the entire field of air transport: the existing British Overseas Airways Corporation (whose capital will be increased from \$40,000,000 to \$200,000,000); British European Airways (with a capital of \$80,000,000) covering Great Britain and the European Continent; and British South American Airways (with a capital of \$40,000,000). The Minister of Civil Aviation, who will name the members of the three Boards, will also have the power to direct them to exercise their functions according to the Government's conception of the public interest; it is intended, however, to allow the corporations to function "on business lines". An Air Transport Advisory Council will advise the Minister and act as a channel for public criticism and suggestions. Unlike the methods adopted to finance the nationalized Bank of England and the coal industry, the three aviation corporations will issue their own stock, guaranteed by the Treasury in the amounts stated above. In addition, the corporations will be launched with a Government subsidy of \$40,000,000 between them for each of the next two years and \$32,000,000 annually thereafter until 1956.

Although many Conservatives criticized the Labor Government's departure from the Coalition civil-aviation plan, which permitted private shipping and rail interests to share in the proposed public corporations, the principle of public responsibility for the development of civil aviation is widely accepted in Great Britain. The Labor Party platform, furthermore, had specifically called for the public ownership of domestic air services as part of a coordinated and unified inland-transport system. Government participation in the financing and direction of the BOAC provided an additional precedent which the Government could cite in support of its bill. According

to Lord Winster, the Minister of Civil Aviation, Great Britain will welcome the opportunity, whenever it should come, of merging the three British corporations into a single international owning and controlling body, the establishment of which is still regarded as the ultimate objective of British aviation policy.

#### **V. Telecommunications**

The plan to transfer to the Government the entire capital stock of Cable and Wireless, Ltd., the British overseas-communications monopoly, was introduced on April 24, 1946, passed the House of Commons without a record vote on July 11, and had reached the House of Lords "committee" stage by the recess. The Conservative decision not to oppose the measure was due largely to the fact that it conforms to the wishes of the British Dominions. Furthermore, the Conservative Party had participated in formulating the plan in 1945. Unlike previous nationalization measures, this bill fails to specify the future organization of the industry, it being left to future determination whether the service will be run by a public board or the Post Office, which now handles all internal telegraph business. Nor does the bill indicate whether any change will be made in the complicated structure of subsidiary companies of Cable and Wireless. In effect, it simply provides the legislative basis for carrying into effect the unanimous recommendations of the Commonwealth Telecommunications Conference, held in the summer of 1945, which had called for the public ownership of the overseas-telecommunications services of all the Commonwealth Governments and their coordination by a Commonwealth Telecommunications Board.

#### **VI. Iron and Steel**

The long-awaited policy decision of the Government on the nationalization of the iron and steel industry was made on April 17, 1946. It was then announced that the Government had concluded that, in view of the basic importance of the industry and its need for extensive reorganization and modernization, it should in large measure be transferred to public ownership. Pending the enactment of appropriate legislation, which may not occur for another year or two, a new Control Board, replacing the present Iron and Steel Control, will be responsible for the general supervision of the industry.

A more detailed explanation of this Government decision, which evoked considerable opposition from Conservative and industrial circles, was made in the course of a debate at the end of May. The Government's policy, the Minister of Supply argued, is justified in view of the monopolistic character of the industry and its inability to finance without Government aid the \$672,000,000 modernization program which the Iron and Steel Federation itself held to be necessary. Furthermore, it was contended, the Federation lacks power to carry out its own modernization plan, which in general meets with the approval of the Cabinet. The Government intends to include in the public-ownership scheme such basic elements as iron ore, mining, coke ovens, pig-iron and steel-ingot production, primary and heavy rolling sections, and large integrated steel companies. On the other hand the manufacture of iron castings, specialties, and motor cars, and the engineering and shipbuilding industries are to remain in private hands.

Although the Conservative Opposition, the Federation of British Industries, the Iron and Steel Federation, and the National Union of Manufacturers have plainly indicated that they will fight the nationalization of the steel industry at every step, this statement of policy was supported by the customary Labor majority, and the Government has indicated its intention of proceeding with its plans to frame the necessary legislation.

#### **VII. Other Nationalization Measures**

One of the most controversial of the Government's measures, which can only receive brief mention here, was its decision, in the face of the opposition of most of the cotton interests, to continue Government bulk purchase of cotton on a permanent basis. The perpetuation of the Government purchase of cotton, which was approved by the House of Commons on March 29, 1946, was supported by Sir Stafford Cripps, President of the Board of Trade, on the grounds that it will enable the country to buy cotton "at least as economically as by private importation," and is in the interest of the textile industry—contentions which were vehemently rejected by most sections of the industry.

The bill for the development of atomic energy, introduced early in May, can likewise be given only brief mention. The Atomic Energy Bill confers upon the Minister of Supply very wide powers and

contemplates an initial expenditure of about \$120,000,000 towards the development of atomic energy. Having had its first reading in the House of Commons in May, the bill was held up during its second reading pending the outcome of discussions between the Government and scientists concerned with the development of atomic energy.

Of the remaining nationalization schemes already scheduled, a bill to nationalize the electrical industry is now being prepared by the Ministry of Fuel and Power; legislation for gas and transport will come along later.

### VIII. Conclusion

By the end of Labor's first year in office, the Labor Parliament had laid the legislative foundation for the nationalization of the Bank of England and the coal-mining industry. The bills for the nationalization of civil aviation and Cable and Wireless are already far advanced and may be expected to pass by the end of 1946; the atomic-energy legislation may take longer. The decision to continue the bulk purchase of cotton, although it received the approval of Parliament, required no specific legislative authority. There remain for introduction at the 1946-1947 or later sessions enabling bills for the nationalization of inland transport, gas and electricity, and sections of the iron and steel industry.

With these measures, the Government will have completed its basic five-year nationalization program. Its fulfilment will establish a new balance between state and private enterprise, in which the latter will continue to predominate. The public sector will include two of Britain's chronically depressed basic industries, coal mining and steel, as well as the supply of cotton, which is a critical element in the third major "sick" industry, textiles. The gas and electricity enterprises, which are already owned to a considerable degree by local authorities, would probably have been nationalized by any post-war Government, whatever its political complexion; as evidence one may cite the recent report of the non-partisan Heyworth Committee, appointed by a Conservative Minister in the Coalition Government, which recommended national ownership of the entire gas industry. Even under Conservative governments, the Bank of England had become in effect an arm of the Treasury; the Coalition Government had already gone far towards the

nationalization of civil aviation; the decision to nationalize Cable and Wireless, Ltd., was essentially non-partisan; the need for some drastic integration of inland transport is widely recognized; and the public development of atomic energy is regarded by all as an unexceptionable measure.

Of all the Government steps on the road to nationalization, the decisions on steel and the bulk purchase of cotton aroused the most intense opposition from Conservative and industrial circles. In these two instances, critics of the Government protested that no clear case had been made to prove that nationalization would be more efficient than private enterprise supervised by the Government. Although Winston Churchill, leader of the Opposition, had previously indicated his disapproval of the entire nationalization approach, these two particular instalments provoked him recently to renew his charge that the Government is responsible for "the disturbance and enfeeblement of industry and enterprise through the launching of vague ill-thought-out schemes of nationalization. . . ." More representative, probably, of the attitude of British industry towards the nationalization program as a whole—although there may be disagreement on specific items—was the statement last December by Sir Clive Baillieu, president of the Federation of British Industries: industry, he held, must operate within the framework of Government policies; the control of industry is no longer—solely and exclusively—a matter for the proprietors; and "Britain's future can only be assured if we reproduce in the days ahead the close and intimate understanding which linked Government and industry together in the war."

The cooperative spirit shown by British industry has been in many respects complemented by the attitude of the leaders of the Labor Government. Face to face with the concrete problems of nationalization, they appear to be deeply conscious of the responsibilities they are assuming and fully aware that nationalization itself is far from being a panacea for Britain's industrial ills. As Herbert Morrison put it, nationalization by itself merely provides an opportunity for the revitalization and reorganization of industry. What is made of this opportunity will go far to decide not only the fate of the "audacious experiment" of nationalization but the entire future of British political and economic development.

## THE PARIS PEACE CONFERENCE

### Investigations on United Nations Property in Rumania

#### REMARKS BY WILLARD THORP<sup>1</sup>

[Released to the press September 25]

The members of the Commission will doubtless remember that we had a prolonged discussion concerning United Nations property in Rumania several days ago. In the course of that discussion a number of speakers were disturbed because there was so little factual information available. The Delegate of the Soviet Union declared that he did not have sufficient data to make a satisfactory judgment on the problem. Similarly, the Delegates of Yugoslavia, Byelorussia, and Ukraine all indicated their wish to have figures and precise facts as a basis for determining a just solution of the problem. This is a point of view with which I have a good deal of sympathy. We are accustomed in the United States to use facts and figures to guide our policy decisions whenever possible. That is why I have tried to assemble as much and as accurate data as possible bearing on the particular problem dealt with in paragraph 4 of article 24, namely the compensation to United Nations nationals for damage to their property in Rumania. We now present to the members of the Commission the results of our investigations. In the first place we endeavored to get some sort of estimate for the total damage caused to the property of United Nations nationals in Rumania. We do not have exact figures but thanks to the replies given by the Rumanian Delegate to my questions yesterday morning it is now possible for us to reach a fairly good approximation of the total of the damages. Assuming that the figures given by the Rumanian Delegate are correct, we have a definite basis on which to approach the problem. The Rumanian Dele-

gate declared that the total value of United Nations property in the petroleum industry is \$150,000,000. He said in answer to an oral question that the total value of all property of the United Nations was somewhat more than \$200,000,000. On this basis, we are justified in placing the value for the total of United Nations property at \$250,000,000. As a matter of fact this figure is somewhat more than that which we had estimated ourselves from other sources, but for our purposes here let us assume that it is correct. As to the damage we have a reply given by the Rumanian Delegation placing the damage in the petroleum industry at between \$47,000,000 and \$50,000,000. You will recall that in response to an oral question from me the Rumanian Delegate states that the greatest damage to property in Rumania was done to railroads (obviously no railroad property belongs to nationals of United Nations) and the petroleum industry. In other cases the damage was at a substantially lower rate. Since the figures for the petroleum industry indicate the damage to be about one third of the total value it would seem to be reasonable to fix the corresponding rate for the remaining property at 20 percent. I am sure this is on the liberal side. At any rate, it would indicate that the damage for this remaining property was \$20,000,000; we therefore arrive at a figure for total damages of \$70,000,000: \$50,000,000 for petroleum and \$20,000,000 for all other types of property.

The Rumanian Delegation also indicated that \$10,000,000 of damages to foreign property in the petroleum industry have already been taken care of by the Rumanian Government through the medium of loans. However their reply also indicated that these loans were repayable in lei, and in view of the subsequent inflation they have been virtually

<sup>1</sup> Made in Paris on Sept. 23 at the meeting of the Economic Commission for Finland and the Balkans. Mr. Thorp is a member of the U. S. Delegation to the Paris Peace Conference.

wiped out. Therefore, of the \$70,000,000 of original damage \$10,000,000 have already been cared for by the Rumanian Government, and there remains a potential cost to the Rumanian Government of \$60,000,000 under this paragraph in the treaty. This figure I must repeat is my own estimate based on the facts and statements which I have reported to you. It is obviously an approximate figure, but I am sure that it cannot be substantially above or below the actual fact. I repeat, therefore, that by virtue of paragraph 4 of article 24 the Rumanian economy would have to meet a charge of approximately \$60,000,000, but this figure alone does not provide the necessary basis for judging the total situation. We must also have some idea of the total burden which the Rumanian economy must carry at the present time. The Rumanian Delegation has alleged that its burdens are tremendous and that the compensation demanded by the United Nations nationals when added to that imposed from other sources is more than the Rumanian economy can bear. In order to meet the points made by the Yugoslav and Byelorussian Delegates, it would seem to us necessary to value as correctly as possible the total burden on Rumania so that we could see the burden of this particular paragraph in its true perspective.

You may recall that I asked the Rumanian Delegation to give me their best estimate as to what the total burden growing out of the war on their economy might be, and you also may recall that the answer was that they had no such estimate. Incidentally, it seems to me quite extraordinary to insist that a weight is intolerable if one has no idea of what it is. For this reason, I think we can disregard any conclusions which the Rumanian Delegation may have made about this article since they clearly were not basing them on anything more than hypotheses. We have endeavored to make such an estimate based on the best evidence which we could obtain. I would certainly not pretend that we have exact figures, but at least we can give some idea of the general order of magnitude of the burden. Some figures have appeared in the public press; some figures have even been available from official sources. I shall therefore give you the figures which seem to me to give the most accurate picture taking into account the various items in the total burden on Rumania. I shall not give you merely a total figure but figures for a

series of subheadings. While particular subheadings may be greater or less than actual fact as it is ultimately determined, these individual variations should tend to offset each other and the total figure should be more accurate than the figure for the individual parts.

The main burdens on Rumania are established by certain clauses in the armistice agreement and the draft peace treaty. In the armistice agreement article 10 relates to the maintenance of occupation troops. On the basis of comments made by the Rumanian Delegation we can establish this figure in the general neighborhood of \$325,000,000. Article 11 relates to reparations payments. We of course all know that the total reparations agreement for Rumania requires delivery of goods worth \$300,000,000. However, the goods are to be valued in terms of 1938 dollars. In view of the rise in the world price level this means that the total amount of goods which will be delivered in connection with reparations will be substantially more than \$300,000,000 of current dollars. If one considers the 70 odd million dollars which I understand have been paid up to now by Rumania, it would be a reasonable estimate that the cost to Rumania in current dollars would be in the neighborhood of \$100,000,000.

Passing now to article 12, that relating to restitution: The best figure which I can establish is that up to the present time approximately \$175,000,000 have been spent under this heading by the Rumanian Government. Finally there is an item which is very difficult to value for requisitions and other direct takings of goods and services which of course do not enter into the fiscal records of the government. This we understand is in the neighborhood of \$425,000,000. In addition there are several smaller items which can be valued at \$25,000,000, so that I think that we can take as a total cost up to the present a total of \$1,050,000,000.

Incidentally, I perhaps might mention briefly that there is another article in the armistice which is entitled "The Restoration of Rights of United Nations Nationals". As far as I can determine the total expenditure by the Rumanian Government which can be allocated to this purpose is less than \$100,000. Up to now I have been discussing only the figures which relate to burdens on Rumanian economy in the past. Now we must turn to the question of the future. Here obviously we

are in an area of speculation. We can easily underestimate, because the reparations arrangement permits of certain penalties. Of course we cannot tell what those penalties may amount to, but in order to be on the conservative side let us assume that what we all hope will be true, and the Rumanian Government will escape from increasing its already heavy burdens. I have already said that approximately \$70,000,000 have been credited against the reparations obligation. This leaves \$230,000,000 yet to be paid in the future. However, again I must remind you that this \$230,000,000 is that value of goods at 1938 prices but that the Rumanian Government will have to obtain commodities at current prices. Having in mind the increase in world prices since 1938, I should think that we would have to regard the future reparations burden as being in the neighborhood of \$350,000,000.

Now as to restitution, I understand that the remaining obligation is for approximately \$200,000,000. In this case we have to make two corrections. Not only is there a price correction since April 1945 (the price base in the convention dealing with this matter), but also an allowance must be made for the cost of transportation and various other charges. It is difficult to know what these additional costs will be, and I have seen estimates which bring the total up nearly to \$700,000,000. However, again I wish to be conservative and shall suggest that we include for our calculation a figure of \$350,000,000 for completing the restitution program.

The next item is the continued cost of occupation. Presumably this will continue in substantial form until 90 days after the peace treaty is signed and possibly beyond that. In connection with the maintenance of lines of communication with Austria—again to be on the low side I would include \$100,000,000 for this item.

Finally, there are various German and Italian assets which one might have expected could revert to Rumanian ownership but which are in the process of being transferred to other foreign ownership. In connection with relevant international agreements it may be that there are other items which should be included beyond these four, but they make a total of \$950,000,000. When the past and future costs are added together we get the staggering sum of \$2,000,000,000.

Again, I must say that I am sure that these figures are not exactly correct. The total may be somewhat smaller or it may be somewhat larger, but at any rate we do have a clear impression of the very substantial character of Rumania's financial obligations.

The exactitude of this figure of \$2,000,000,000 is not important. What is important is its contrast with the \$60,000,000 which would be required for the full compensation for the nationals of all the United Nations. This \$60,000,000 represents 3 percent of the \$2,000,000,000. It is not important as to whether the figure is 3 percent or 2 percent or 4 percent. What is important is the tremendous difference between the two figures.

I must confess that these estimates reinforce the surprise which I have felt at the attitude taken by the Rumanian Government. Their representatives have protested most vigorously against the heavy burden of the \$60,000,000. They have never even mentioned the items involved in the \$2,000,000,000. Under such circumstances I find it very difficult to give any weight to the wailings of the Rumanian Government about the provisions for treatment of United Nations nationals. They remind me of an old saying: "One should not be concerned with a fly in the drinking water if there is a hippopotamus in it." I believe that it is necessary to keep this total picture in mind if we want to appreciate the burden imposed on the Rumanian economy by the treaty. That burden is so great that the United States does not wish in any way to be responsible in however little measure for increasing the difficulties of Rumania which arise primarily from the various clauses and articles in the treaty. Though it is not substantial as compared with the total picture, we propose to reduce our own requests for full compensation as presented in article 24. This will parallel the action which we have taken in the case of the Italian treaty. However, I must point out that any such reduction can only remedy in a very slight way the serious situation with which the Rumanian economy is threatened by the totality of all of the clauses in the armistice and the peace treaty. Even if all the United Nations nationals eliminated their demands completely the reduction of \$60,000,000 would make only the smallest dent in the \$2,000,000,000 total.

**U. S. Proposal for Conference on Resource Conservation and Utilization<sup>1</sup>**

**LETTER FROM U. S. REPRESENTATIVE ON ECONOMIC AND  
SOCIAL COUNCIL TO ACTING PRESIDENT<sup>2</sup>**

*September 13, 1946.*

DEAR DR. STAMPAR:

The Government of the United States wishes to call attention to one of the fundamental problems involved in improving the economic condition of the people of the world, namely, the conservation and effective utilization of natural resources.

During the war, which drew heavily on the world's resources, many new techniques of resource conservation and utilization were developed in the various countries. It is important to rapid world economic reconstruction and advancement that the knowledge of these new techniques be shared widely among nations.

To this end, I should like to propose that the Economic and Social Council call a United Nations Scientific Conference on Resource Con-

servation and Utilization to meet in the last six months of 1947. I would appreciate your having this proposal placed on the agenda of the present session of the Council. There is enclosed, for circulation among Members of the Council, a draft resolution that I plan to put forward formally at the appropriate time and also President Truman's letter to me on this subject, to which there is attached an informal memorandum suggesting possible topics for discussion at such a conference.

You will note that President Truman has authorized me to inform you that this Government would be glad to have the conference held in the United States and to make available resource experts to aid in the preparatory work.

Sincerely,

JOHN S. WINANT

**DRAFT RESOLUTION PROPOSING A UNITED NATIONS SCIENTIFIC  
CONFERENCE ON RESOURCE CONSERVATION AND UTILIZATION**

The Economic and Social Council, recognizing the drain of the war on the world's natural resources, the importance of these resources to the reconstruction of devastated areas, and the need for continuous development and widespread application of the techniques of resource conservation and utilization:

1. Decides to call a United Nations Scientific Conference on Resource Conservation and Utilization for the purpose of exchanging information on techniques in this field, their economic costs and benefits, and their interrelations;

2. Establishes a Preparatory Committee for the Conference, consisting of the following countries: (List will be submitted later.)

3. Requests the Preparatory Committee to prepare the Conference programme, to select experts to present the subject matter and organize the

Conference discussions, to choose the place and date of the Conference (preferably during the second half of 1947, and to co-operate with the Secretary-General in arranging for the Conference;

4. Requests the Preparatory Committee to plan the Conference as a meeting devoted solely to the exchange of ideas and experience among engineers, resource technicians, economists, and other experts in the natural and social sciences;

5. Requests the Preparatory Committee to consult with representatives of all agencies of the United Nations having important responsibilities in the subject matter fields of the Conference, and to consider suggestions which may be submitted to it by Members of the United Nations.

<sup>1</sup> E/139. Sept. 14, 1946.

<sup>2</sup> Dr. Andrija Stampar.

**LETTER FROM PRESIDENT TRUMAN TO U. S. REPRESENTATIVE  
ON ECONOMIC AND SOCIAL COUNCIL**

THE WHITE HOUSE,  
*Washington, September 4, 1946.*

MY DEAR MR. WINANT:

I wish to suggest that you, as the representative of the United States on the Economic and Social Council of the United Nations, propose to that organization at its meeting in September that it sponsor an international scientific conference on the conservation and utilization of natural resources, and express my hope that it will be held in this country in the autumn of 1947.

It is my belief that the need for such an exchange of thought and experience was never greater. Warfare has taken a heavy toll of many natural resources; the rebuilding of the nations and the industrialization of underdeveloped areas will require an additional large depletion of them. Waste, destruction and uneconomic use of resources anywhere damage mankind's common estate. The real or exaggerated fear of resource shortages and declining standards of living has in the past involved nations in warfare. Every member of the United Nations is deeply interested in preventing a recurrence of that fear and of those consequences. Conservation can become a major basis of peace. Modern science has itself become a major international resource which facilitates the use of other resources. Their adequate utilization can become a major basis of world prosperity.

It is my hope that such a scientific conference would bring together all the new techniques of resource conservation and utilization particularly for the benefit of underdeveloped areas, since the problems of these areas represents the hopes of millions of people for freedom from starvation and for opportunity in life. The conference could properly and usefully evaluate the outstanding developments in the resource field as aids to underdeveloped regions, to areas suffering from resource depletion, and also to areas subject to rapid post-war change in their patterns of resource use. I believe that the possible peaceful uses of atomic energy within the next few decades might well be examined in this connection. It is also my hope that such a scientific conference would examine the world's expected resource needs.

It is my belief that a conference composed of engineers, resource technicians, economists and other experts in the fields of physical and social science would offer the most desirable method of presenting and considering the definite problems now involved in the resource field. It is my thought that these experts would not necessarily represent the views of the governments of their nations, but would be selected to cover topics within their competence on the basis of their individual experience and studies. I am sure that such a scientific conference can be helpful to the basic organizations of the United Nations without impinging upon the valuable work which they are undertaking. Its success will, of course, depend upon the active cooperation of all the participating nations, and of the staff of already established organizations of the United Nations, including particularly the Food and Agriculture Organization, which should be considered in the development of Part I of the Program.

I am attaching for your use and reference a preliminary and condensed program outline prepared by the resource agencies of this Government.

It is my hope that the conference can be held no later than the autumn or winter of 1947 in this country. In the event of favorable action by the Council on this proposal, and if it so desires, I shall be glad to make available to it a skilled resource staff to aid in the preparatory work.

Sincerely yours,

HARRY S. TRUMAN

**OUTLINE OF PROGRAM FOR THE RESOURCE  
CONSERVATION AND UTILIZATION  
CONFERENCE**

OBJECTIVE

There is great need for an international scientific conference on the conservation and utilization of natural resources. Many resources have been used up during the war. The rebuilding of nations and the industrialization of underdeveloped areas will continue to deplete them. The prevention of any waste and uneconomic use is desirable for all. Meanwhile, new techniques and even new resources have been discovered which can improve and hasten economic progress. The under-

standing of their significance and their possible application is of importance to all nations.

The proposed conference is intended to bring together the best technical thinking and experience of the resource experts of all the nations which has accumulated in recent years in a form which will lead to the broadest general understanding of possibilities for economic progress. These specialists will cover the development of the new technologies of conservation and of resource utilization, and estimate their costs and economic benefits, and their inter-relations.

Since the conference is unique and will presumably not be repeated for many years, and since its objective is the interchange of information and judgment among experts in each field, no attempt will be made at the conference to secure expressions of any Governmental opinion or to affect any Governmental action. Assistance from outstanding experts in such organizations as the Food and Agriculture Organization will be asked on the basis of individual competence in the resource problems on the conference program. It is hoped that the individual Governments will make the ablest technicians in their countries available for the conference in their individual capacities.

The scientific nature of the conference determines the formulation of the problems covered by the program. These presented here for the consideration of the Economic and Social Council were developed by a working committee of representatives of four Departments of the Government of the United States of America.

The first three parts of the programme are devoted to the three principal categories of resources (renewable, non-renewable and energy), each of which is covered separately. The inter-relationship of the problems of conserving and developing each resource would be the subject of Part IV of the programme discussion of which would most logically be scheduled to follow that of the other parts.

The programme briefly outlined here is, of course, subject to change within its technical limits. It is expected that a programme committee will be constituted which will proceed rapidly with an exact formulation of topics, and also select experts from all parts of the world who will be able to co-ordinate the subject matter. The support and co-operation of all of the United Nations will

be necessary for the full development of all the possibilities in the programme.

#### CONFERENCE PROGRAMME, PART I

##### *The Problems of Renewable Resources*

This part of the programme should cover problems of the renewable resources, including:

The major new techniques of land and forest conservation, including soil and range use, land reclamation and drainage, protection of fish and wildlife.

The new utilizations of renewable resource products and the possibilities of substitution.

The costs and benefits of new conservation techniques and utilization methods in different areas.

Comparison of local administrative methods for all types of renewable resources, including soil conservation districts, European chambers of agriculture, Governmental, co-operative, and other forms of land and forest management. Comparison of the obligations of owners for land and forest conservation.

The effects of new conservation, extraction and utilization methods on the economies of already developed areas.

The possibilities of developing and applying new methods of both conservation and utilization to under-developed areas, including areas subject to rapid change in the pattern of resource use, and areas subject to rapid resource depletion.

Estimates of the future world demand and supply position and its possible variation in regard to the products of basic renewable resources.

#### CONFERENCE PROGRAMME, PART II

##### *The Problems of Non-Renewable Resources*

This part of the programme should cover the non-renewable resources, including:

The possibilities and effects of new techniques of mineral and fuel extraction, metallurgical processing, hydrogenation, and fabrication of minerals, including costs and benefits.

The possibilities and effects of new manufacturing processes.

The problems of depletion, and the possibilities of substitutions.

The local administration of non-renewable resources in the ground and of their extraction.

Future world needs for non-renewable resources,

considering economically useful reserves, varying levels of world needs, and substitution possibilities among the non-renewable resources.

#### CONFERENCE PROGRAMME, PART III

##### *Problems of Energy Resources*

This part of the programme should cover the problems of energy resources, including:

Major economic uses of atomic energy, by areas, based on varying assumptions of production cost.

New developments and possibilities in steam-electric and hydro-electric power plant construction, in long-distance transmission and in dam-construction.

Comparative costs, efficiencies and benefits of steam-electric plant and hydro-electric plant operation.

The effect of energy supplies at varying costs on under-developed areas, and on industrialized areas.

Problems of energy use for large-scale pumping and river diversion.

The competitive effects of alternative energy resources.

The local, regional and national administration of energy resources, including private corporations, central electricity administrations and rural electric co-operatives.

Future world needs and possibilities for energy, based on varying assumptions of world economic development.

#### CONFERENCE PROGRAMME, PART IV

##### *Joint Problems of Resource Conservation and Utilization*

This part of the programme should cover the problems of conservation and utilization affecting several groups of resources, including:

The joint application of the new developments in two or more resources fields to under-developed areas, to areas suffering from resource depletion, and to areas subject to rapid change in the patterns of resource use, and to other special area problems such as river basins.

The joint effects on the economies of developed areas, of applying modern conservation and utilization methods in all resource fields.

The possibilities of single-agency administration of resource development (such as the Tennessee Valley Authority). The administration and financial problems of multiple-agency and single-agency development of combined resources.

The past and possible future effects of changes in patterns of resource use on the size and economic condition of the population.

The combined estimate of future world needs and reserves of all types of resources, allowing for varying levels of demand and for probable substitution among all types of resources, as in particular substitution of non-renewable resources by plastics and use of synthetics instead of renewable resources.

*Washington, August 29, 1946*

### **Summary of Preliminary Report of Subcommittee To Study the Economic Reconstruction of Devastated Areas**

The Subcommittee established by the Economic and Social Council on June 21, 1946 to study the economic reconstruction of devastated areas met in London from July 29 to September 13, 1946.

It consisted of the following twenty member countries: Australia, Belgium, Canada, China, Czechoslovakia, Ethiopia, France, Greece, India, Netherlands, New Zealand, Norway, Peru, the Philippine Republic, Poland, Ukrainian S. S. R., U. S. S. R., U. K., U. S. A., Yugoslavia. The representative of France was elected chairman and the representative of China vice-chairman.

The consideration of its preliminary report is one of the main items on the agenda of the third

session of the Economic and Social Council, now being held at Lake Success.

The report is addressed to the Secretary-General of the United Nations for transmission to the Economic and Social Council. In the words of the secretary of the subcommittee, Raoul Aglion, Director in the Department of Economic Affairs of the United Nations, who wrote the introductory letter to the Secretary-General, this preliminary report of nearly 450 pages contains "a detailed picture of the nature and scope of the economic reconstruction problems of devastated countries of Europe and of the progress in these countries."

It points out certain problems which may arise

from the contemplated reconstruction problems.

Finally, the report includes a proposal jointly presented by the delegates of Poland, the United Kingdom, and the United States for the establishment of an Economic Commission for Europe. This proposal is referred to the Economic and Social Council for immediate consideration.

The Subcommittee also recommends the establishment of:

1. A permanent international housing organization.

2. An agency to study and prepare plans for the coordinated development of European power resources, the construction of hydroelectric plants, and the establishment of an international grid.

3. The endorsement of the UNRRA suggestion to establish or designate an agency or agencies to review the needs in 1947 for financing urgent imports and make recommendations for financial assistance required to meet foreign exchange difficulties.

The report covers not only western, eastern, and southern Europe, but also Africa, Asia, and the Far East. The letter of introduction is followed by a 15-page document containing the recommendations of the subcommittee concerning Europe alone. These recommendations concerning Europe include sections on food, housing, man-power, coal, electric power, raw materials, machinery and equipment, transport, trade, financial needs, and coordination of long-range development plans.

The Subcommittee recommends that, pending the creation of any agency or any other action by the Economic and Social Council pertaining to the rehabilitation and development of Europe, the Secretariat be instructed to make special and adequate arrangements for obtaining such relevant materials as have not been available in the preparation of this report.

A considerable proportion of the delegates to the Subcommittee favor the proposal for the establishment of an Economic Commission for Europe, but because the remaining delegates have as yet received no instructions from their Governments, the Subcommittee refers the proposal originally presented by the Delegates of Poland, United Kingdom and United States to the Economic and Social Council for immediate consideration.

Having regard to the importance of intra-

European cooperation in the economic field, for purposes of reconstruction and development, the Subcommittee recommends as follows:

1. An Economic Commission for Europe shall be established by the Economic and Social Council in accordance with article 68 of the Charter.

2. In cooperation with the National Governments and Specialized Agencies, the Commission shall be charged with the task of facilitating concerted action for the economic reconstruction of Europe, and of initiating and participating in measures necessary for the expansion of European economic activity and for the development and integration of the European economy.

During its initial stages, the Commission shall give prior consideration to the economic reconstruction of devastated countries, Members of the United Nations.

3. The Commission may establish subsidiary agencies or Committees as may be necessary for facilitating these objectives.

4. The Commission, in agreement with the Governments concerned: (a) shall collect, evaluate, disseminate and publish such economic, technological and statistical information and data as it deems necessary and appropriate; (b) may undertake such investigations and studies of economic and technological problems and developments in Europe and within any member country as it deems useful and appropriate.

5. (a) The Economic and Social Council taking account of recommendations by the Commission and the Specialized Agencies concerned shall consider the measures necessary for utilizing the Commission as a coordinating body with respect to its activities and those of the Specialized Agencies. (b) Immediately upon its establishment, the Commission shall undertake the coordination and, in agreement with the member governments of EEC, ECO, and ECITO, the absorption or termination of the activity of these bodies while insuring that there is no interruption in the work performed by them.

6. The Commission shall submit to the Economic and Social Council, for the Council's concurrence, such of the Commission's proposed activities as have important effects on the economy of the world as a whole, and shall submit a report of all the Commission's activities and of those of

(Continued on page 632)

# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## Calendar of Meetings<sup>1</sup>

### *In Session as of September 29, 1946*

Far Eastern Commission	Washington	February 26
United Nations:		
Security Council	Lake Success, N. Y.	March 25
Military Staff Committee	Lake Success, N. Y.	March 25
Commission on Atomic Energy	Lake Success, N. Y.	June 14
ECOSOC: Third Session with Commissions and Subcommissions	Lake Success, N. Y.	September 11
Paris Conference	Paris	July 29
Fifth Congress of the Postal Union of the Americas and Spain	Rio de Janeiro	September 1-26 or 27
German External Property Negotiations with Portugal (Safehaven)	Lisbon	September 3
PICAO:		
Interim Council Meeting	Montreal	September 4
U.K. Demonstrations of Radio Aids to Air Navigation	London	September 9-30
Conference on North Atlantic Ocean Stations	London	September 17
ILO: Twenty-ninth Session of International Labor Conference	Montreal	September 19-October 12
International Film Festival	Cannes	September 20-October 5
International Fund and Bank: Joint Meeting of the Boards of Governors	Washington	September 27
Five Power Preliminary Telecommunications Meeting	Moscow	September 28
<i>Scheduled for September-December 1946</i>		
Caribbean Tourist Conference	New York	September 30-October 9
PICAO:		
Middle East Regional Air Navigation Meeting	Cairo	October 1-15
U.S. Demonstrations of Radio Aids to Air Navigation	New York-Indianapolis	October 7-26
Meeting of the Meteorological Division of the Air Navigation Committee	Montreal	October 29
Special Radio Technical Division of the Air Navigation Committee	Montreal	October 30-November 8
Communications and Radio Aids to Navigation: Division of the Air Navigation Committee	Montreal	November 19
Search and Rescue: Division of the Air Navigation Committee	Montreal	November 26
Rules of the Air and Air Traffic Control Practices: Division of the Air Navigation Committee	Montreal	December 3
International Tourist Organizations Conference	London	October 1-7
Second Pan American Congress of Mining Engineering and Geology	Rio de Janeiro	October 1-15
Second Pan American Congress of Physical Education	Mexico City	October 1-15
Eighteenth International Congress for Housing and Town Planning	Hastings, England	October 7-12
Conference on Tin	London	October 8-12
Preparatory Commission of the International Conference on Trade and Employment	London	October 15
Permanent Committee of the International Health Office	Paris	October 23
United Nations:		
General Assembly (Second Part of First Session)	Flushing Meadows, N. Y.	October 23
United Maritime Consultative Council:		
Second Meeting	Washington	October 24-30

<sup>1</sup>Prepared by the Division of International Conferences, Department of State.

**Calendar of Meetings—Continued**

International Commission for Air Navigation: Twenty-ninth Session (CINA)	Dublin	October 28-31
UNESCO: "Month" Exhibition General Conference	Paris Paris	October 28-December 1 November (Exact date undetermined)
World Health Organization: Interim Commission	Geneva	November 4
International Technical Committee of Aerial Legal Experts (CITEJA)	Cairo	November 6
Inter-American Commission of Women	Washington	November 11-20
ILO:		
Industrial Committee on Textiles	Brussels	November 14
Industrial Committee on Building, Engineering and Public Works	Brussels	November 25

**Activities and Developments****INTERIM REPARATIONS REMOVALS:  
SYNTHETIC OIL AND SYNTHETIC  
RUBBER INDUSTRIES<sup>1</sup>**

The action specified below should be taken with respect to facilities identified in the following categories of Japanese industry. Such action, under the Interim Reparations Removals Program, should be taken without prejudice to further removals that may be ordered under a final reparations program.

*1. Synthetic Oil Industry*

(Definition: Those plants and establishments both government and privately owned, engaged in the manufacture of petroleum products from coal, whether by high-pressure hydro-genation, the Fischer-Tropsch hydro-carbon synthesis, or low temperature carbonization).

a. All facilities identified within this category should be made available for claim, subject to the following reservations:

(1) Any plant designated as suitable for actual or potential conversion to the manufacture of sulphate of ammonia for fertilizers should be retained in operation until the supply of fixed nitrogen from other sources becomes adequate.

*2. Synthetic Rubber Industry*

(Definition: Plants and establishments engaged in the production of synthetic rubber).

a. All facilities which have been engaged in the production of synthetic rubber should be made available for claim.

**U. S. DELEGATION TO MIDDLE EAST  
REGIONAL AIR NAVIGATION MEETING<sup>2</sup>**

Acting Secretary Clayton announced on September 25 that the President has approved the composition of the United States Delegation to the Middle East Regional Air Navigation Meeting of the Provisional International Civil Aviation Organization scheduled to convene in Cairo on October 1, 1946.

This Conference is the fourth regional meeting scheduled in a series of conferences called by the Provisional International Civil Aviation Organization to determine international requirements for the safety of aerial flights and related matters, including aviation communications, air-traffic control, search and rescue, airdromes and ground aids, and meteorology. The first of these conferences was held at Dublin in March and covered the North Atlantic area; the second in Paris in April covered the European and Mediterranean areas; and the third in Washington in August covered the Caribbean air routes.

In addition to regional problems to be discussed in Cairo, four members of the United States Delegation will cooperate in PICAIO inspection of the Hassani Airfield in Athens at the request of the Greek Government, with the view to investigating the need for international assistance in its maintenance and operation. These members left Washington on September 17 in order to complete the mission prior to the Cairo conference. Following the Cairo conference, five members of the Delegation will proceed to Paris to attend a second session of the Air Traffic Control Committee for the European-Mediterranean area.

<sup>1</sup> Policy statement adopted by the Far Eastern Commission on Sept. 12.

<sup>2</sup> Released to the press Sept. 25.

The Egyptian Government, at the request of PICAQ, has invited some 15 countries and four international organizations to send delegates to the Cairo meeting.

The membership of the official United States Delegation is as follows: *Delegate*, Glen A. Gilbert, Consultant to the Administrator, Civil Aeronautics Administration. *Alternate Delegates*: Robert D. Hoyt, Coordinator of International Air Regulations, Safety Bureau, Civil Aeronautics Board, and Maj. Gen. Laurence S. Kuter, United States representative of the Interim Council of PICAQ. *Advisers*: James F. Angier, Representative for Aerodromes, Air Routes and Ground Aids, Office of the Administrator, Civil Aeronautics Administration; T. L. Bartlett, Assistant to the President, Aeronautical Radio, Inc.; Clifford P. Burton, Representative of Air Traffic Control, Office of the Administrator, Civil Aeronautics Administration; James D. Durkee, Chief, International Aviation Section, Engineering Division, Federal Communications Commission; Norman R. Hagen, Meteorological Attaché to the London Embassy, London, England; L. Ross Hayes, Representative for Telecommunications and Radio Aids to Air Navigation, Office of the Administrator, Civil Aeronautics Administration; Capt. A. S. Heyward, PICAQ Coordinator, Navy Department; Arthur L. Lebel, Chief, Communications Section, Aviation Division, Department of State; Lt. Comdr. J. D. McCubbin, Search and Rescue Agency, United States Coast Guard; Ray F. Nicholson, Representative for Flight Operations, Office of the Administrator, Civil Aeronautics Administration; Donald W. Nyrop, PICAQ Representative for Air Transport Association; Col. Lawrence M. Thomas, Air Transport Command, Army Air Forces. *Secretary*, Merle K. Wood, Executive Officer, Office of Near Eastern and African Affairs, Department of State. *Administrative Assistant*, Mary Bean, Civil Aeronautics Administration. *Stenographer*, Ruth Skartvedt, Department of State.

#### **SECOND PAN AMERICAN CONGRESS OF MINING ENGINEERING AND GEOLOGY<sup>1</sup>**

Acting Secretary Clayton announced on September 26 that the President has approved the

composition of the United States Delegation to the Second Pan American Congress of Mining Engineering and Geology which is scheduled to convene at Rio de Janeiro, Brazil, October 1, 1946.

The forthcoming Congress, called pursuant to a resolution adopted at the First Congress held at Santiago, Chile, in January, 1942, will study the present status of the mineral resources and mineral industry of the Americas. Included on the agenda of the Congress are discussions of technical and general problems affecting the development and production of the mineral wealth of the Americas. The Congress will conclude with field trips to the important mining areas of Brazil.

The Chairman of the United States Delegation will be Mr. Paul C. Daniels, Counselor of Embassy of the American Embassy at Rio de Janeiro. The composition of the Delegation is as follows:

#### *Chairman:*

Paul C. Daniels, Counselor of Embassy, American Embassy, Rio de Janeiro, Brazil.

#### *Delegates:*

Dr. R. R. Sayers, Director, Bureau of Mines, Department of Interior

Dr. Edward Steidle, Pennsylvania State College

Dr. William E. Wrather, Director, Geological Survey, Department of Interior

#### *Technical Advisers:*

Clarence C. Brooks, Counselor of Embassy for Economic Affairs, American Embassy, Rio de Janeiro, Brazil

Emerson I. Brown, Minerals Attaché, Rio de Janeiro, Brazil

Ivan G. Harmon, Petroleum Attaché, American Embassy, Rio de Janeiro, Brazil

Roger Rhoades, Chief Geologist, Bureau of Reclamation, Department of Interior

#### *Special Assistant to the Chairman:*

Clarence A. Wendel, Division of International Resources, Department of State

#### **EIGHTEENTH INTERNATIONAL CONGRESS FOR HOUSING AND TOWN PLANNING<sup>2</sup>**

The President on September 20 approved the designation of those whose names appear on the following list as members of the United States Delegation to the Eighteenth International Congress for Housing and Town Planning, which is scheduled to convene at Hastings, England, on October 7, 1946:

<sup>1</sup> Released to the press Sept. 26.

<sup>2</sup> Prepared by the Division of International Conferences, Department of State.

*Chairman*

Phillip Hannah, Assistant Secretary of Labor

*Vice Chairman*

Coleman Woodbury, former Assistant Administrator, National Housing Agency

*Delegates*

Fredrick J. Adams, Professor of City Planning, Massachusetts Institute of Technology

Walter Blucher, Executive Director, American Society of Planning Officials

John Ihlder, Director, National Capital Housing Authority

John G. Stutz, Executive Director, Kansas League of Municipalities, Topeka, Kans.

Herbert Wilkinson, Special Trade Policy Adviser, Department of Commerce

Catherine Bauer Wurster, Housing Expert, Harvard University

*Consultant*

Charles F. Palmer, former Coordinator of Defense Housing

*Adviser*

Louis Johnson, Field Assistant, Department of Labor

### **GLOBAL MARITIME ORGANIZATION TO BE DISCUSSED AT UMCC MEETING<sup>1</sup>**

In accordance with the unanimous desire of the member nations of the United Maritime Consultative Council, as expressed at the Council's meeting in Amsterdam last June, the Department of State announced on September 26 that it has requested its missions in the country of each UMCC member to extend an invitation to the second session of the UMCC in Washington, D. C., October 24-30, 1946.

The Department stated that the following topics have been proposed for the agenda, which will be finally determined by the UMCC itself:

1. The consideration of the Working Committee's draft plan and report concerning a possible world-wide intergovernmental maritime organization.

2. Preparation of a reply to an inquiry from the United Nations regarding establishment of such an organization to deal with technical matters.

3. A review of the working of the machinery

established pursuant to the recommendations of the former United Maritime Executive Board to insure the orderly transportation of certain cargoes after the termination of the United Maritime Authority.

4. A review of the progress made in the restoration of normal processes of international shipping.

The UMCC is an official but temporary organization with advisory and consultative functions which succeeded the United Maritime Authority. To date Australia, Belgium, Brazil, Canada, Chile, Denmark, France, Greece, India, the Netherlands, New Zealand, Norway, Poland, South Africa, Sweden, the United Kingdom and the United States have acceded to membership in the Council.

The first session of UMCC was held at Amsterdam, June 18-25, 1946, when the Working Committee was appointed to draft plans for the consideration of the Washington meeting. The committee met in London on July 18, 1946. Represented on the committee were the following nations: Belgium, Canada, France, Netherlands, Norway, Poland, United Kingdom, and the United States.

The UMCC was the outgrowth of a meeting in London, February 4-11, 1946, of the United Maritime Executive Board, consisting of representatives of the 18 governments which had acceded to the "Agreement on Principles having reference to the coordinated control of merchant shipping," signed August 5, 1944. The 18 governments represented were: Australia, Belgium, Brazil, Canada, Chile, Denmark, France, Greece, India, Netherlands, New Zealand, Norway, Poland, South Africa, Sweden, United Kingdom, United States, and Yugoslavia.

The Board adopted machinery for the discontinuance of United Maritime Authority controls March 2, 1946, and also unanimously recommended to the member governments that they should enter into a temporary agreement<sup>2</sup> (expiring October 31, 1946), providing for:

1. The meeting of ocean-transportation requirements of UNRRA and of liberated areas in an orderly and efficient manner. The adjustment of ships' space and cargoes is to be effected by a working committee in Washington and a subcommittee in Canada. There will also be a coordinat-

<sup>1</sup> Released to the press Sept. 26.

<sup>2</sup> For text of agreement see BULLETIN of Mar. 24, 1946, p. 488.

ing and review committee in London to consider UNRRA's requirements for loading and to keep the tonnage situation constantly under review, performing both functions in respect to loading areas other than the United States and Canada.

2. A temporary consultative council for the purpose of studying any shipping problem (other than problems within the terms of reference of other established governmental conferences or associations active in the field) which may arise during the period of transition from United Maritime Authority controls to free commercial shipping, such council to possess no executive powers.

#### **INVITATION TO THE WORLD TELECOMMUNICATIONS CONFERENCE, 1947**

The Department of State has instructed the American Legation at Bern to present the following invitation to the Director of the Bureau of the International Telecommunication Union for a World Telecommunications Conference to be convened in the United States in the spring of 1947:

"The Government of the United States has the honor to invite the governments members of the International Telecommunication Union to attend a plenipotentiary conference to revise the Madrid Telecommunication Convention, 1932. To date the governments of the following countries have indicated their agreement without reservation to the convening of this conference in the United States in accordance with language of article 18: Canada, China, Colombia, Cuba, Dominican Republic, Ethiopia, Finland, Haiti, Italy, Lebanon, New Zealand, Panama, Paraguay, Poland, Siam, Syria, Turkey, United States, Uruguay, Vatican City, Venezuela. Sections one and two of Article 18 read as follows:

"1. The provisions of the present Convention shall be subject to revision by conferences of plenipotentiaries of the contracting Governments.

"2. Revision of the Convention shall be undertaken when it has been so decided by a preceding conference of plenipotentiaries, or when at least

twenty contracting governments have so stated their desire to the government of the country in which the Bureau of the Union is located.'

"The Government of the United States has the honor to indicate that the conference will be held in or near Washington, D.C. beginning April 15, 1947."

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#### **Devastated Areas—Continued from page 627**

its subsidiary bodies to each session of the Economic and Social Council.

7. The Commission shall make recommendations on any matter within its competence directly to its member and observer governments and to those international organizations with which relations have been established in accordance with paragraph 5 (a).

8. The Economic Commission for Europe shall consist of all European members of the United Nations and the United States.

9. The Commission shall invite any member of the United Nations not a member of the Commission, and representatives of the specialized agencies, to participate in its deliberations on any matter of particular concern to that non-member or agency.

10. The Commission may admit European non-member nations, and representatives of the Allied Control Authorities of occupied territories, in a consultative capacity, when any matter of particular concern to non-members, or those authorities, is under discussion.

11. The Commission shall adopt its own rules of procedure, including the method of selecting its chairman.

12. The administrative budget of the Economic Commission for Europe shall be financed from the funds of the United Nations.

13. The Secretary-General of the United Nations shall designate members of his Secretariat to serve with the Commission continuously.

14. The seat of the Commission shall be determined by the Economic and Social Council.

Meeting of National Commission on Educational, Scientific and Cultural Cooperation

REMARKS BY PRESIDENT TRUMAN <sup>1</sup>

[Released to the press by the White House September 25]

Thank you, Mr. Benton. I have to keep this hand-shaking arm in good trim during election year—and to a bipartisan group it's good exercise.

It's a pleasure to have you here. I think this organization can, if it will, contribute as much as any other organization—in connection with the United Nations—to the peace of the world.

It is understanding that gives us an ability to have peace. When we understand the other fellow's viewpoint, and he understands ours, then we can sit down and if there are differences work them out.

If there is no understanding, there can be no peace; and if there is no education, there can be no peace. If we can exchange educators with all the countries in the world, and send ours to those countries to show our viewpoint, it won't be long until we have the world situation as we have it in the 48 States—we don't have any difficulties, or any

ADDRESS BY ASSISTANT SECRETARY BENTON <sup>2</sup>

MR. CHAIRMAN AND MEMBERS OF THE COMMISSION: I welcome you to membership.

I am sorry that Secretary Byrnes is not here personally to extend you his welcome. But he is needed where he is. The papers tell us that he has some other problems on his hands. From Paris he sends me the following message for you:

"I am happy to send this greeting to the United States National Commission on Educational, Scientific and Cultural Cooperation, on the occasion of its first meeting, which I hope may prove historic.

"The President and the Congress of the United States have pledged the support of the Government of the United States to the United Nations Educational, Scientific and Cultural Organization. The National Commission has been created to join in fulfilling that pledge.

"The National Commission, by its broadly representative character, gives promise that the peo-

insoluble difficulties, between the 48 States that can't be settled on a peaceful basis. The reason for that is that we understand each other.

I am extremely interested in this organization. I think it can make the greatest contribution in the history of the world to the welfare of the world as a whole, if it really goes at it in the spirit that is intended.

From what Mr. Benton has told me about the people you have elected to your official positions, I believe that you are on the road to do the job. That's all I ask of you.

There are two things in the world I want above everything else—peace in the world and unity at home. That's what I have been fighting for since I have been here. That's what President Roosevelt was fighting for while he was here.

You can make that contribution on a world basis. I want you to do it.

Thank you very much.

ple of our country will work with and through UNESCO to build 'the defenses of peace' in the minds of men.

"UNESCO is an integral part of the international cooperative system of the United Nations.

"The road to international cooperation is a hard one at best. Suspicion and mistrust make the going the more difficult. If UNESCO can help to clear away these barriers, the peoples of the world will push ahead more surely and more rapidly.

"I welcome the assistance which the National Commission will give to the State Department, by its advice and action, in assuring that UNESCO achieves its high and difficult aims."

<sup>1</sup> Made before the members of the National Commission on the United Nations Educational, Scientific and Cultural Organization, at the White House, Sept. 25, 1946.

<sup>2</sup> Delivered before the Commission in Washington on Sept. 23 and released to the press on the same date.

Mr. Chairman, only a few weeks hence, in November, the United Nations Educational, Scientific and Cultural Organization (UNESCO) will inherit the seats of the meek and the mighty in Paris. This will be the first meeting of the General Conference of UNESCO. In London last fall the main lines of organization were fixed by the conference which agreed upon UNESCO's constitution. At the Paris meeting in November, organization will be completed and UNESCO must decide upon the opening gambit of its program.

What will be the position of the United States Delegation at this crucial conference in Paris which is the embryo that will determine the nature of the child? How will UNESCO project its policies within the United States? You have been appointed to help provide an answer to these two questions. You are expected to advise the American Delegation to the UNESCO General Assembly as to the policies it should advocate. You are expected to help carry out the UNESCO program within the United States.

If we who profess a belief in education really believe the words which we so often use, namely, that understanding among peoples is necessary to the maintenance of peace, then we who are responsible for this National Commission face a challenge that is terrifying. But we must not admit that the challenge is beyond our grasp. You, the members, must build that understanding among peoples. You must build it brick by brick. And you must provide the mortar that holds the bricks together. Only you and men like you can do this job, here in the United States as in other countries.

We are at the beginning of a long process of breaking down the walls of national sovereignty and of persuading the peoples of this world to study each other and to cooperate with each other. In this process UNESCO can be—and indeed must be—the pioneer. And in the work of UNESCO the United States is in a position to play a leading role. You, the members of this National Commission, can be responsible in a large measure, if you so choose, for the way in which that role is played.

I am thus privileged humbly to welcome you here today. You are indeed a hand-picked group. You are even well screened. And as members of the National Commission you are going to be further screened here. You will be screened for your ability and willingness to work hard at this job.

Many of you here this morning have already given us in the State Department a splendid example of what we shall expect from the members of the National Commission. From Archibald MacLeish, from our chairman of this morning, Mr. Cherrington, and from many others the Department has received guidance and leadership both in the creation of UNESCO and of the National Commission. These men believe in this work. They have put in long hours proving their belief. We are deeply indebted to them.

This meeting is only your commencement. You are about to leave the ivy-covered towers which have sheltered you. You will serve for several years as members of this National Commission. Your actions will be closely followed and often severely criticized. Many demands will be made upon your time and energy. I dedicate you here to hard work. I dedicate you here to the aggressive pursuit of international understanding upon which peace must be based.

If you have read the material I have sent you, I need not review the background underlying this National Commission. The constitution of UNESCO invited all national governments to associate the appropriate private organizations with the work of UNESCO. These organizations include the media of mass communications for reasons which I hope are obvious to most of you, or at least will become more obvious as you devote yourselves to the objectives set forth in UNESCO's constitution.

The Congress of the United States created this National Commission in its bill authorizing the United States to join UNESCO. Congress assigned to the Department of State the responsibility for bringing you into being. The Department was authorized to select 50 national voluntary associations interested in the aims of UNESCO, and to invite each of these organizations to name one representative on the National Commission. The Commission itself was authorized to select 10 additional organizations. Further, the Department of State was authorized to select "forty outstanding persons" as members of the National Commission, this number to include 10 officials of the national government, 15 representatives of state and local governments, and the remaining 15 to be chosen at large.

The Secretary of State delegated the responsibility in these matters to me. He assigned me no easy task.

Not only did Congress authorize the State Department to organize the National Commission but it gave the Department continuing responsibility for and to the National Commission. The Department is authorized to provide the secretariat for the Commission. The Department is ordered by law to listen to what you say.

I am happy to tell you at this time that Mr. Charles Thomson will serve as Acting Executive Secretary of the National Commission. He will be assisted by Mr. Stephen Dorsey. They are men with big ears; they are good listeners, as I shall try to be.

And now for some of the opportunities as I see them, and some of the dangers and pitfalls which lie before you. It's a wise child, I'm told, that knows its own father. The Department of State has fathered this National Commission. As individuals you all seem to me—as I look at you from this platform, and from what I've read about you in *Who's Who in America*—to be people of respectable age and experience. But collectively as a National Commission you are a very young person. Perhaps I might borrow some of the authority of the more aged Department of State and offer a few fatherly words of counsel to you as a young man starting out on life. Though I myself am only 13 months old in the State Department, I too have learned and you look very young to me.

As a young man, your opportunity is unlimited. You are not only an unprecedented body but a body without precedent. Here you are, a national conference, but meeting in the international-conference room of the Department of State. You are made up in considerable part of representatives of national voluntary organizations, and yet you are created by the will of Congress and appointed by the Department of State. You give for the first time in our history a collective brain to the whole nervous system of American culture, science, education, and means of communication. Everything that you may now do will establish a precedent. You will have the opportunity to insure that this Commission makes a distinctive place for itself in American life and in world culture. This is an unprecedented opportunity.

You have received copies of the proposed program for UNESCO, prepared by the secretariat of the Preparatory Commission which has been meeting in London. These proposals will be considered by the General Conference of UNESCO in Paris in November. Already, by mail, you have advised the State Department on the composition of the American Delegation which is to be appointed by the President; and you must decide here, in the next four days, what advice you will give this Delegation. Thus you can be an important voice in determining the world program of UNESCO.

Further, you are the potential instrument through which UNESCO acts in this country to win support for its program and to carry it forward. You are in touch with our schools and colleges, and with organized private groups throughout this country; it will be your task and your opportunity to bring these organizations, and the tens of millions of individual human beings which comprise them, into active participation in the work of UNESCO. This is one of the greatest opportunities and the greatest challenges that educators and intellectual leaders of this or any other country could be offered.

Perhaps it is more important for me today to stress the dangers which confront you. Dangers tend to be hidden. They are unpleasant to talk about, even between father and child. We do not like to pull the dangers from their dark corners. We prefer to talk about opportunities, and these latter are apparent even to a casual reader of UNESCO's constitution.

First—I shall speak as frankly as I can—you may be nothing more than a debating society. True, you may issue some noble pronouncements and engage in some stimulating discussions—and indeed you should do so—but then, each year after your annual oratory, you may quietly hibernate. Will you come out with hard-headed proposals, urge them on this government, push them with UNESCO, publicize them in this country, press them on the national organizations? This is a year-around job. Will you build fires that no amount of inertia and apathy can put out?

Secondly, the constitution of UNESCO dedicates its members to this goal: that peoples shall speak to peoples across national boundaries. This is the first and the primary plank in the constitution. Yet this plank is not immediately obvious

to all people in the phrase "educational, scientific and cultural." This first and primary plank is the concept that makes UNESCO unique in world history. To many intellectual leaders this is a strange new concept in international relations. In carrying out this new concept, peoples must speak to peoples with the new instruments of the age in which they live. These instruments are chiefly the press, radio, and the motion picture.

Where are the leaders to be found who will exploit these instruments to the fullest, so that peoples may hear peoples and see peoples and understand peoples the fastest and the clearest way?

It is easy for such a group as this to look down on radio and the films. The very fact that they have "popular" appeal damns them in some eyes. To many educators, they still seem suitable only for serving up light entertainment. Further, they have a commercial taint.

I know all about that.

But I also know that people—hundreds of millions of them—listen to radio and see the films—hundreds of millions who do not read books, who never went to college. If UNESCO fails to reach these millions through the media that they use, how will they be reached? Above all, how will they be reached quickly?

Our great universities have been laggard in recognizing broadcasting and the films as instruments of education. To the older and most honored professors, in the older and most honored disciplines, the radio has not seemed respectable. In the University of Chicago it was 10 years before many of the most distinguished professors would appear on the "University of Chicago Round Table" broadcasts.

There is great danger, then, that educators and intellectuals will not welcome or understand or encourage the use of the instruments of today to communicate with peoples. These educators and intellectuals are the groups most likely to control UNESCO policies. If these groups in control do not use the mass media on a vast scale, they will not live up to UNESCO's constitution. This danger is greater in the viewpoint of other countries than in our own. Thus this Commission must take world leadership in this area.

How well you succeed in this leadership depends in part on whether you can avoid the third pitfall—let us call it the danger of log-rolling by vested interests. More than half of you have been

nominated by a private organization. All of you have some special area of competence close to your heart. Thus your vision may be limited by loyalty to your own organization or to your special field. In fact, it is sure to be.

The round tables or sections that have been scheduled for your meetings here illustrate this point. Similarly, the organizational structure that has been proposed for UNESCO itself, with similar sections—natural science, education, fine arts, mass media, and the rest—may have an unfortunate *divisive* effect. In fact, they are sure to prove divisive. The idea now seems to be that these various sections will put their parts together to make a program.

My point is that UNESCO can't do *everything*, or a little bit of everything. Its leaders should work out a list of priorities, and instead of allocating a small part of the UNESCO budget to each of an infinite variety of activities they should concentrate UNESCO funds and energies in the fields where UNESCO has the greatest chance of making its greatest impact—and soon. Log-rolling between vested interests is not conducive to this objective. The university administrators who are in this room will, I am sure, agree with me.

UNESCO has not been set up only to give us more specialized knowledge. Its job is to put knowledge to work all over the world, in the interests of the masses of the people of the world and in the cause of human welfare and peace.

Thus you should not create committees exclusively of experts. Let us encourage the educators to face up to the opportunities in broadcasting. Let us encourage the broadcasters to face up to their obligations in the field of adult education. Cross-fertilization is the intellectual need of the hour.

Further, those of you who have been nominated by national organizations should bear in mind that you have been appointed as *individuals* to be members of this National Commission. There are hundreds of other organizations, though perhaps not so luminous, which are just as much concerned with UNESCO as your own; and you as individuals must represent them all. You have a responsibility to all the people and not merely to your organization. I hope this sense of general responsibility will be kept at a high pitch.

The peoples of the world long for peace. They wish to break down the bars that separate them

and to strengthen the ties that bind them together as human beings. They wish to break down specialization, fragmentation, departmentalization—the vested interest of the group or of the country operating against the interests of the many and the world. Your danger is that you as individuals will fail to recognize this in your activities as members of this body.

The quest of the peoples of the world is urgent. This Commission cannot sit back and wait for the kind of unity that may come after the irrational misuse of science has reduced the world to a uniform desolation.

The world cannot find unity by seeking agreement merely in the political and economic spheres. The constitution of UNESCO clearly recognizes this. In conclusion, I shall remind you of a line from its preamble: "A peace based exclusively

upon the political and economic arrangements of governments would not be a peace which could secure the unanimous, lasting and sincere support of the peoples of the world, and that the peace must therefore be founded, if it is not to fail, upon the intellectual and moral solidarity of mankind."

UNESCO has been formed to prosecute this search for intellectual and moral solidarity in the minds of men.

It is the mandate of this National Commission on International Educational, Scientific and Cultural Cooperation to inspire and to assist all people in this country to construct in their own minds, and in the minds of their neighbors, this intellectual and moral solidarity. Only in this way can this Commission help to build the true defenses of peace.

## Operation of U.S. Information Service in Yugoslavia

### STATEMENT BY ACTING SECRETARY CLAYTON<sup>1</sup>

I would like to make a statement to you regarding the reports which have appeared in the press to the effect that the United States Information Service in Yugoslavia has by direction of the Yugoslav Government been closed or discontinued.

The Department of State has received word that the operation of this service in Belgrade was suspended yesterday at the request of the Yugoslav Government. In communications to the American Embassy calling for this action, the Yugoslav Government has asserted that the service was engaged in "anti-Yugoslav activities."

The activities of U.S.I.S., as it has been called, have been the following: the maintenance of a public reading-room containing American books, magazines, and newspapers; distribution of a daily information bulletin containing texts of official United States statements, speeches, and documents, including diplomatic notes exchanged between the United States and other governments, and representative editorial comment from the American press and radio; the holding of lectures on American life by American officials; the presentation of recorded music, documentary films, and photographic displays; and establishing contacts between Yugoslav universities and medical,

scientific, literary, and musical organizations and comparable organizations in the United States. These activities are not different from those conducted by the United States Information Service throughout the world. The information imparted is only that which is readily available to every American citizen and to every free people.

While the United States Government recognizes that the Yugoslav Government has the right in the exercise of its sovereignty to require the closing of this service, nevertheless we find it very difficult to believe that Yugoslavia really means to deny to its people the basic freedom for which the American people with their Allies undertook the war against Fascism.

Indeed, it seems to us that that is the real issue involved. It is not the narrow issue of a reading-room in Belgrade. It is the fundamental and basic democratic issue of whether the people of one country are to be denied access to the opinions of and information about other peoples.

It seems to us that without that access to such information there is perhaps little hope of understanding between nations, and without such understanding it is needless to say that the patient efforts of statesmen to try to find ways and means of maintaining for all time to come the peace of the world may be greatly hampered.

<sup>1</sup>Made at press and radio news conference on Sept. 27 and released to the press on the same date.

## Economic Situation in Hungary

### U.S. ASSISTANCE TOWARD REHABILITATION OF HUNGARY

[Released to the press September 24]

On March 2, 1946 the Government of the United States in a note to the Government of the Union of Soviet Socialist Republics asked for tripartite consideration of the economic situation in Hungary in accordance with the obligation undertaken by the heads of the Governments of the United States, the United Kingdom, and the Union of Soviet Socialist Republics at the Crimea Conference. In a reply of April 21, A. Y. Vyshinsky rejected this proposal. The United States made a further approach in a note of July 22. V. G. Dekanozov, Soviet Deputy Minister for Foreign Affairs, in a note of July 27<sup>1</sup> again rejected the proposal of the United States for tripartite consideration of the economic situation in Hungary, but no reference was made to the obligation of the Union of Soviet Socialist Republics under the Crimea Declaration.

Notwithstanding the failure of the Union of Soviet Socialist Republics to agree to tripartite cooperation in assisting Hungary, the United States has undertaken, within limits imposed upon it by the lack of such cooperation, to render such assistance as might be effective toward the rehabilitation of Hungary. The Government of the

United States has already voluntarily returned to Hungary gold valued at approximately \$32,000,000. The Government of the United States has also granted Hungary a long-term credit amounting to \$15,000,000 for the purchase of surplus property. In addition, the United States commanders in Germany and Austria have been instructed to restitute identifiable displaced property removed under duress from Hungary.<sup>2</sup> Despite the United States' endeavors to expedite action in this matter, return of such property to Hungary from Germany has been delayed by failure to obtain quadripartite approval of the restitution program in the Allied Control Council, Berlin, and the Soviet Government is one of the governments whose approval of this measure intended to help Hungarian economy has not been readily forthcoming. This concrete affirmative aid by the United States is designed to assist Hungarian rehabilitation directly; on the other hand Soviet aid mentioned in the Soviet Government's note of July 27 consists principally of partial postponement of economic drains on the Hungarian economy in the form of reparations. Meanwhile it is understood that requisitions and removals by the Soviet Army are, in practice, continuing.

### FURTHER URGING OF TRIPARTITE COOPERATION ON HUNGARIAN ECONOMIC PROBLEMS

In view of this obviously unsatisfactory state of affairs and in order to fulfil the obligations which it shares with the Union of Soviet Socialist Republics and the United Kingdom under the Crimea Declaration, the United States has instructed its representative in Moscow to communicate a further note to the Government of the Union of Soviet Socialist Republics regarding tripartite cooperation in assisting Hungary to solve its pressing economic problems. The text of the note follows:

*Moscow, September 21, 1946.*

His Excellency VICTOR GEORGE DEKANOV,  
*Deputy Minister of Foreign Affairs,  
Moscow.*

EXCELLENCY:

I have the honor under instructions from my Government to communicate to you the following:

The Soviet Government in its note of July 27, 1946 regarding the economic situation in Hungary has disputed the facts contained in the note of July 22, 1946, which was sent on instructions of my Government. I have been instructed by my Government to state that it cannot accept the statements set forth in the Soviet Government's note of July 27, 1946, as a refutation of the facts contained in the United States' note of July 22, 1946, which were based on careful study. I have also been instructed to say that my Government not only reaffirms those facts as presenting an accurate account of the economic situation in Hungary but that they have been confirmed, to the satisfaction of my Government by information obtained

<sup>1</sup> BULLETIN of Aug. 11, 1946, p. 263.

<sup>2</sup> BULLETIN of June 30, 1946, p. 1120.

subsequent to the delivery of the United States' note of July 22, 1946.

My Government has regretfully concluded that it will be impossible to obtain agreement between our two Governments as to the exact situation now existing in Hungary and as to the causes of that situation, and accordingly my Government considers that no useful purpose will be served by further assertions and denials.

On the other hand, there can be no question of the fact that assistance is required by Hungary if that country is to solve its pressing economic problems and contribute to the general economic recovery of Europe. As pointed out in the United States' note of July 22, 1946, the Hungarian Government had requested the assistance of the Allied Powers in solving the serious financial and economic difficulties facing that country during its period of rehabilitation.

In short, the need of Hungary for assistance to facilitate its economic recovery is not only obvious to all, but is emphasized by representatives of the Hungarian Government itself.

In the circumstances, my Government must again draw the attention of the Soviet Government to the undertaking entered into by the President of the United States of America, the Premier of the Union of Soviet Socialist Republics, and the Prime Minister of the United Kingdom, at the Crimea Conference, when they jointly declared "their mutual agreement to concert during the temporary period of instability in liberated Europe the policies of their three governments in assisting . . . the peoples of the former Axis satellite states of Europe to solve by democratic means their pressing political and economic problems." This is an obligation which my Government cannot ignore. My Government does not believe that the Soviet Government will wish to deny that the situation existing in Hungary today is just such a one as was envisaged by the declaration quoted above.

Reference was made to this undertaking, entered into by the Soviet Government at Yalta, in the notes of March 2, 1946, and July 22, 1946, to the Soviet Government, but the notes of the Soviet

Government of April 21, 1946, and July 27, 1946, have not been responsive on this point. It is a matter of regret to the United States Government that the Soviet Government not only has refused to implement the undertaking freely assumed by it at the Crimea Conference, but moreover has failed to indicate its reasons for so refusing.

Despite the unwillingness heretofore shown by the Soviet Government in this regard, the American representative on the Allied Control Commission for Hungary stands ready at any time to consult with his Soviet and British Colleagues to implement the obligation assumed by the three governments at Yalta by assisting Hungary to stabilize its economy and by providing a framework within which the rehabilitation of that country and its early integration with the general economy of Europe will be possible.

Please accept [etc.]

ELBRIDGE DUREWOW  
*Chargé d' Affaires ad interim*

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**German Documents**—Continued from page 614

cently, whereby many of them had been destroyed. There would not be quiet though, until some 100,000 to 200,000 men had been rendered harmless. Therefore the action against the bands must be carried out energetically.

The Führer announced that many more German divisions would be assigned to the Balkan area and especially to Greece, because for the coastal defense there, no provision, or practically none, had been made.

Just before the Führer had breakfast with the Duce in private he again declared that Sardinia and Corsica could only be held if the defense acted with extreme energy immediately upon a landing taking place, and he indicated that he was concerned about the attitude of the population in Corsica. The Duce remarked only that the population in Corsica had remained comparatively calm up to this time.

With that the conference was concluded.

SCHMIDT

Berlin, July 20, 1943

# Fundamentals of United States Trade Policy

BY CLAIR WILCOX<sup>1</sup>

The international trade policy that has been espoused by the United States is based upon four fundamental principles. First, we believe that the volume of international trade should be large—larger, certainly, than it was between the wars. Second, we believe that international purchases and sales should be made, at our end of the transaction, at least, by private enterprise. Third, we believe that trade should be multilateral rather than bilateral. And fourth, we believe that it should be non-discriminatory. I should like to examine each of these propositions in turn.

First, I have said that the volume of international trade should be large. We want large exports and large imports and we want them for reasons that are grounded, in large part, in our own interests. I do not mean to imply that we must push exports as a means of maintaining employment in the United States. That, in strict logic, is not the case. If, instead of seeking both quantity and quality in our employment, we were to content ourselves with quantity alone, we could doubtless have it with little or no foreign trade. If we were to accept the necessary controls, it is conceivable that we could keep everybody steadily at work in a closed economy. But it would require a drastic readjustment for us to do so; it would reduce the output of our labor; it would impair the well-being of our people.

We want large exports. An important part of our agricultural activity has long been directed toward sales abroad. And now our heavy, mass-production industries are also geared to a level of output which exceeds the normal, peace-time demands of the domestic market. The maintenance of the type of plant, technology, labor force, and management that they require is essential to the preservation of our economic health and even of our national security. It will be easier for us to maintain both the quantity and the quality of our employment, it will be easier for us to insure our security, if we keep our labor at work, insofar

as possible, in the industries where it is most effectively employed. And this means that we must sell substantial quantities of our output abroad.

We want large imports. The war has made great inroads on our natural resources; we have become and will increasingly become dependent upon foreign supplies of basic materials. The quantity and variety of our demand for consumers' goods is capable of indefinite expansion. If we are to sell to others, we must be prepared to accept payment in the goods that they are better able to provide. Nor is that to be regarded merely as a necessary evil. Our imports are essential to our industrial strength, to the richness and the diversity of our daily living.

But abundant trade will not benefit the United States alone. Many nations, particularly the smaller ones, are more dependent on foreign commerce than are we. Wider markets with increased specialization and more active competition should enhance the efficiency of their industries and cut their costs. More goods should flow from less effort and levels of consumption should be heightened all around the world. A renewed sense of well-being should contribute, in turn, to domestic stability and to international peace. Untrammelled trade is not an end in itself; it is a means to ends that should be held in common by all mankind.

Our second principle is that the foreign trade of the United States should be carried on by private enterprise. Indeed, we should prefer this pattern, by and large, for international trade in general. We should prefer it because private operation, in our view, affords the best assurance that trade will be competitive, efficient, progressive, and non-discriminatory and, finally, that it will be non-political. Businessmen will ordinarily seek to buy in the cheapest market and sell in the dearest one; governments, if actuated by something other than economic motives, may deliberately buy where prices are high and sell where they are low. Private transactions are carried on at private risk; if they are displeasing to individuals, they need not involve the state. Public transactions must be effected by governments; if

<sup>1</sup>Delivered before the National Industrial Conference Board in New York, N.Y., on Sept. 26. For complete text of the address see Department of State press release 673. Mr. Wilcox is Director of the Office of International Trade Policy, Department of State.

they give rise to dissatisfaction, they are all too likely to become the subject of diplomatic representations. International relations, in all conscience, are difficult enough without creating a situation in which any purchase and any sale may assume the character of an international incident.

It must be recognized, of course, that the post-war transition, even for the United States, may temporarily require some hang-over of public trade. Lend-lease must be wound up. Relief must be provided. Trade must be opened with the occupied areas. We must be assured continued access to certain materials that are still in critically short supply. But our policy for the long run is clear. The foreign trade of this country—almost all of it—will be in private hands. The persisting exceptions will be few; they will be confined almost entirely to transactions that are essential to our military security.

As you know, the United States has requested the nations that have maintained war-time purchasing missions in this country to limit their operations to commodities required for civilian relief and rehabilitation, to confine them to the normal channels of trade, to make their purchases in accordance with commercial considerations, and to liquidate their operations at the earliest possible moment. In general, the responses to this request have been favorable. Several of the missions are expected to go out of business by the end of the year. Others have curtailed their commercial operations and confined their activities to expediting private trade. Though there will always be some residue of foreign government procurement in the United States, the wartime pattern of purchasing mission activity is slated gradually to disappear.

We can determine how trade is to be conducted within our own borders; we cannot determine how it is to be conducted abroad. Nationalization has made great progress in many countries since the war. We may not welcome this, but there is very little that we can do about it. Where American investors are expropriated, we can demand prompt and effective compensation. Where loans are requested, we can, if we choose, refuse to grant them. But Ruritania's organization of her internal economy is Ruritania's business and if she embraces—or tolerates—collectivism, the best that we can do is to accept her course as one of the facts of life and adjust ourselves to it.

Our problem here is difficult, but it is one to which a solution must be found. We do not wish to isolate ourselves from the collectivist economies, to divide the world into public-trading and private-trading blocs. Nor do we believe that the forms and the methods of collectivism should be employed in carrying on the whole of the world's trade simply because they provide the most convenient method of dealing with the small fraction of that trade that is in public hands. The solution must be found, rather, in an arrangement which will enable the free market economies and the controlled economies to trade with one another on a basis of equal treatment and mutual advantage. And this is what we seek.

Our third principle is that international trade should be multilateral rather than bilateral. Particular transactions, of course, are always bilateral; one seller deals with one buyer. But under multilateralism the pattern of trade in general is many-sided. Sellers are not compelled to confine their sales to buyers who will deliver them equivalent values in other goods. Buyers are not required to find sellers who will accept payment in goods that the buyers have produced. Traders sell where they please, exchanging goods for money, and buy where they please, exchanging money for goods. This arrangement is the rule in the domestic market; it has had its counterpart in international trade. Thus, in the years before the war, we bought from Brazil twice what we sold her and from Malaya ten times as much as we sold her while, at the same time, we sold the River Plate countries twice and the United Kingdom three times as much as we bought from them. Bilateralism, by contrast, is akin to barter. Under this system, you may sell for money, but you cannot use your money to buy where you please. Your customer insists that you must buy from him if he is to buy from you. Imports are directly tied to exports and each country must balance its accounts, not only with the world as a whole, but separately with every other country with which it deals.

The case against bilateralism is a familiar one. By reducing the number and the size of the transactions that can be effected, it holds down the volume of world trade. By restricting the scope of available markets and sources of supply, it limits the possible economies of international spe-

cialization. By freezing trade into rigid patterns, it hinders accommodation to changing conditions. True multilateralism is non-discriminatory; bilateralism is inherently discriminatory. Multilateralism follows market opportunities in a search for purely economic advantage; bilateralism invites the intrusion of political considerations.

During the thirties, bilateralism found its principal expression in blocked exchanges and discriminatory import quotas. Today, it manifests itself most conspicuously in a whole series of short-run, barter-trade agreements involving those nations whose economies have been most seriously disrupted by the war. These agreements are the inevitable product of serious shortages of goods, instability of currencies, and persisting exchange controls. They may have made possible a considerable volume of trade that otherwise could not have taken place at all. But as goods become available in ample quantities, as currencies are stabilized, and as exchanges are freed, the need for them, real or apparent, should disappear. As multilateralism comes to offer the promise of superior opportunities to buyers and to sellers, such contracts will look less tempting than they do today.

More serious, however, are a few cases of bilateral agreements between important trading nations, involving large quantities of goods and running for long terms of years. In our view, such agreements are bound to be discriminatory, since they give the seller an advantage over all other sellers in obtaining access to markets and assure the buyer a preferred position in procuring supplies. Their very existence may induce or even compel other nations to enter into similar arrangements for the protection of their own interests. For the duration of such contracts, sellers will not be free to dispose of their goods and buyers will not be free to bid for products in the most favorable markets. If any considerable portion of the world's trade were thus to be frozen over a long period of time, our progress toward multilateralism would be seriously retarded if not completely blocked.

The United States has raised no question with other nations concerning state trading *per se*. It has expressed no concern over bilateral agreements covering small quantities for short terms. Nor has it undertaken formally to protest any of these

deals. But it has deemed it proper, in the case of the large-volume, long-term agreements, to call their probable consequences to the attention of the nations concerned. If it should appear that such advice may be gratuitous, I would remind you that the commitments for the liberalization of world trade that have been made not only by this nation but also by other nations are repeated and definite. The future pattern of international trade is a matter of legitimate concern to us, as it is to every other people on earth, from Afghanistan at the beginning of the alphabet to Zanzibar at the end. The system of ownership in Ruritania's internal economy, as I have said, is Ruritania's business. But the methods that Ruritania employs in her external trade affect the character of world trade in general. And world trade is everybody's business.

Our fourth and final principle is that international trade should be non-discriminatory. We believe that every nation should afford equal treatment to the commerce of all friendly states. We believe that discrimination obstructs the expansion of trade, that it distorts normal relationships and prevents the most desirable division of labor, that it tends to perpetuate itself by canalizing trade and establishing vested interests and, finally, that it shifts the emphasis in commercial relations from economics to politics. For all of these reasons, we have been opposed and shall continue to be opposed to preferential tariff systems and the discriminatory administration of import quotas and exchange controls. Discrimination begets bilateralism, as bilateralism begets discrimination. If we are to rid ourselves of either one of them, we must rid ourselves of both.

These principles have found repeated expression: in our commercial treaties; in our reciprocal trade agreements; in the Atlantic Charter; in Article VII of the Mutual Aid Agreements concluded with our Allies during the war; in connection with lend-lease settlements and the extension of credits to the United Kingdom, France, and other powers; in the Articles of Agreement of the International Monetary Fund and the International Bank for Reconstruction and Development; in the economic clauses proposed by this Government for inclusion in the treaties of peace; in the Proposals for Expansion of World Trade and Employment which were published in December of last year; and finally and most fully, in the *Suggested Charter for*

*an International Trade Organization*, which was published last week.<sup>1</sup>

If all goes well, we should emerge from these negotiations, sometime before the end of 1947, with a protocol embodying the new trade agreements completed and signed by the President, and with a World Trade Charter ready for presentation to the Congress. The International Trade Organization, upon the adherence of a sufficient number of states, should be established and in operation before the end of 1948.

We believe that this organization should be open to the widest possible membership. But, once it has been established, we do not believe that all of the benefits that flow from it should be extended automatically to those who decline to assume its obligations. Accordingly, we have suggested that a year or more should be allowed to permit adherence to the organization, but that, thereafter, unless the organization consents, members should not apply the tariff concessions agreed upon among themselves to the trade of other countries which, although eligible for membership, have not become members, or have withdrawn from the organization.

In conclusion, I should like to correct a few misapprehensions concerning this program that have appeared in the public print. The first is the careless statement that this Government is seeking to establish free trade. This, of course, is not the case. Free trade would require the complete elimination of all protective barriers. Politically, it would be impossible; economically it would be unwise. As far as this Government is concerned, its negotiations with respect to specific barriers to trade will be conducted within the limits of the authority conferred upon the President by the Reciprocal Trade Agreement Act and in accordance with the procedures of public notice, open hearings, and *quid-pro-quo* bargaining that have been employed for the past 12 years in the administration of that Act. By a judicious exercise of the power provided in the present law, the United States may lead the world toward freer trade. It cannot, and does not, seek to take it all the way to free trade. We shall expect to come out of the pending conferences with something far better than the sort of restrictionism that has fastened itself on the world's commerce during the last 20 years. But we shall be willing to settle for something that falls short of Utopia.

Another misapprehension has given rise to the comment that our line of policy has been tailored to meet the needs of highly industrialized states and is therefore prejudicial to the interests of undeveloped areas. The fact of the matter is that the United States affirmatively seeks the early industrialization of the less developed sections of the world. We know, from experience, that more highly industrialized nations generate greater purchasing power, afford better markets, and attain higher levels of living. We have sought to promote industrialization by exporting plant, equipment, and know-how; by opening markets to countries that are in the early stages of their industrial development; by extending loans through the Export-Import Bank; by participating in the establishment of the International Bank. We recognize that public assistance may be required, in some cases, to enable new industries to get on their feet. But we believe that such aid should be confined to enterprises that will eventually be able to stand alone; that it should be limited in extent, temporary in duration, and subject to periodic review; and that it should gradually be tapered off in accordance with a predetermined formula. We believe that the Economic and Social Council and some of the specialized agencies of the United Nations, including the proposed International Trade Organization, may make affirmative contributions to the process of industrial development, and we stand ready to consider all serious proposals that are directed toward this end.

Still another misconception is revealed by the opinion, recently expressed with some vigor, that the United States seeks multilateralism because this policy will best enable it to exploit the economies of smaller states. At the Peace Conference in Paris our Government has proposed treaty clauses under which our former enemies would grant non-discriminatory treatment to the commerce of those nations that accord similar treatment to them. This proposal, of course, appears to us to serve the interests of victors and vanquished alike. But it has nonetheless been said to threaten the "enslavement" of the areas concerned. If our country had made the opposite proposal—that special privileges, denied to other powers, be granted to the United States—such a characteriza-

<sup>1</sup> See BULLETIN of Sept. 29, 1946, p. 585.

tion would fairly have applied. But reciprocity in non-discrimination serves merely to protect the right of every nation to compete, on equal terms, with every other nation in the markets of the world, to sell more goods, of better quality, with superior service, for less money, so that labor may be more productive and levels of living more nearly adequate in every corner of the earth. It assures to smaller states an opportunity to buy and sell where they please, on terms as favorable as those afforded larger powers. Far from reducing them to slavery, it affords a guaranty of economic liberty.

And finally, a word should be said about the view that liberal trading principles, being the product of eighteenth century minds and nineteenth century practice are now out of fashion; that our whole project is hopeless; that multilater-

alism is doomed; that the world is bound to be divided into competing economic blocs; that we might as well adapt ourselves to the inevitable. This, I submit, is a counsel of despair. It is true that the economic and the political situation in the post-war world is full of uncertainties. But the future is not foreordained. For this country to surrender its principles without a struggle, simply because the going may be rough, would be neither necessary nor wise. Our initiative with respect to matters of trade policy has been widely commended by other governments. Our Proposals and our suggested Charter have posed the issues about which the discussion of these matters now revolves. Our present position imposes upon us a responsibility that we do not propose to abdicate. It gives us an opportunity that we do not intend to throw away.

### Lend-Lease and Surplus-Property Settlement With Belgium

A complete and final settlement of war accounts between Belgium and the United States was signed here on September 24 by Acting Secretary Clayton and Brig. Gen. Donald H. Connolly, Foreign Liquidation Commissioner, on behalf of the United States, and Baron Silvercruys, Belgian Ambassador to the United States, on behalf of his country.<sup>1</sup> The settlement covers lend-lease and reverse lend-lease, the United States share of civilian supplies furnished by the Allied armies to Belgium and Luxembourg under the military supply program, payment by the United States armed forces for Belgian francs provided by the Belgian Government for the pay of United States troops, the transfer of surplus property to Belgium, and claims of each Government against the other which arose out of the war.

Mr. Clayton pointed out, upon signing the documents involved in the settlement, that "Belgium's contribution to the United States armed forces during the war against Germany was outstanding. During the 'Battle of the Bulge', in the Ardennes, the output of Belgian factories, Belgian transportation and labor, and the great port of Antwerp were decisive factors in stemming the German advance. Procurement for United States troops continued to be furnished on reverse lend-

lease through V-J Day, and was of great assistance to the occupation of Germany and the redeployment program through Antwerp, which was the major port for reshipment of supplies and *matériel* in Europe."

While lend-lease provided Belgium by the United States amounts to \$114,400,000, reverse lend-lease furnished the United States forces in Belgium, Luxembourg, and the Belgian Congo totals \$204,800,000. Since the difference of some \$90,000,000 in Belgium's favor is approximately equal to the United States share of the supplies furnished to Belgium and Luxembourg under the military supply program, the contributions of the United States and Belgium to each other through these channels in the common war effort are considered to be in balance, Mr. Clayton said, and the present settlement provides that neither Government will make any payment to the other on these accounts.

In arriving at the settlement, due note was taken of the agreement reached in discussions between representatives of the two Governments in October 1945 that, in accordance with the provisions of article VII of the mutual-aid agreement between the United States and Belgium of June 16, 1942, international discussions will be held as soon as possible directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and

<sup>1</sup> For text of memorandum of understanding and of agreement, see Department of State press release 668 of Sept. 24.

consumption of goods; the elimination of discriminatory treatment in international commerce; and the reduction of tariff and other trade barriers.

The Belgian Government has reiterated its endorsement of the commercial-policy objectives obtained in the *Proposals for Expansion of World Trade and Employment* published by the United States in November 1945, and its general support of these proposals at the forthcoming International Trade and Employment Conference. Belgium also signed on April 5, 1946 an air-transport agreement with the United States.

United States surplus property passes to Belgium under arrangements set forth in the settlement. Certain surplus property, already designated for transfer to Belgium, will be paid for by Belgium at its full transfer value of approximately 18,000,000, payment to be partly in dollars and partly in funds for educational programs, real state, and the assumption of claims. In addition, all United States surplus property in Belgium remaining unsold on October 1, 1946 or declared surplus thereafter (except combat *matériel*, until demilitarized, and certain other reserved items) will pass to Belgium under an undertaking by Belgium to sell it and turn over one half of the gross proceeds to the United States in dollars.

Belgium's dollar obligations incurred in connection with all acquisitions of surplus property under the settlement will be payable in 30 annual installments beginning July 1, 1946 with interest at 2 $\frac{3}{8}$  percent, subject to certain provisions for accelerated payments.

The United States, on its part, will pay dollars to Belgium, in payment for francs currently furnished by the Belgian Government to the United States armed forces for the pay of troops in Belgium.

Because of the close economic relations between Belgium and the Grand Duchy of Luxembourg, Mr. Clayton explained, and because of certain specific provisions, the settlement between the United States and Belgium affects the interests of the Government of Luxembourg at several points, principally acquisition of property, cultural-exchange programs, and settlement of claims. Mr. Clayton said that these aspects of the settlement had been submitted beforehand to the Government of Luxembourg, which stated its concurrence so far as it is concerned. In addition the United States and Luxembourg have signed an agreement waiving all but certain defined types of intergovernmental claims arising from the war.

## UNRRA Operations: 8th Quarterly Report

*To the Congress of the United States of America:*

I am transmitting herewith the eighth quarterly report covering the operations of UNRRA and expenditure of funds appropriated by the Congress on a cumulative basis as of June 30, 1946.<sup>1</sup>

Since my last report, the Congress has appropriated the remaining funds pledged by this Government as its second contribution to UNRRA. Out of the total of \$2,700,000,000 appropriated by this Government for the relief and rehabilitation of peoples in Europe and Asia shipments from the United States have totaled 9,140,614 long tons with a value of \$1,154,072,000 as of June 30, 1946. On the same date world shipments were 12,766,975 long tons with a value of \$1,707,149,000. Tonnage from the United States thus amounts to approximately 71.6 percent and the value of United States shipments to approximately 68 percent of the total.

On August 5, 1946 the 48 member nations of UNRRA held their Fifth Council Session at Gen-

eva, Switzerland. One of the decisions taken was that UNRRA could extend the date for making shipments to Europe out of available resources beyond the date of December 31, 1946, and to the Far East beyond March 31, 1947. The Congress is familiar with the delays which made it impossible for UNRRA to complete its shipments before these terminal dates. The extension of time will apply primarily to industrial and agricultural rehabilitation items, to the repair of essential facilities, and to provide a substitute for the draft animals decimated by the enemy. The bulk of food in the country programs, however, will be shipped by the end of the calendar year.

It was also recommended at the Fifth Council Session that immediate steps be taken under the direction of the United Nations Assembly to determine the need which will still exist in 1947.

<sup>1</sup> For text of the report see Department of State publication 2617.

Measures have been inaugurated on this problem.

The Congress and the people of the United States may be proud of the contribution they have made to the rehabilitation of devastated countries through UNRRA, but we must also realize that the job has not been completed. It is essential that we look ahead to the relief requirements which will confront war-devastated areas in the coming year. At this time crops all over Europe are being harvested and, if weather conditions continue to be favorable, food reserves should be more adequate than in the past year. Nevertheless, despite prodigious efforts by the peoples of the liberated countries, agricultural production will still fall greatly below the pre-war levels.

Here in the United States, we must continue our endeavors to conserve our food resources. Crops in the United States give promise of large yields, but the world food situation will be critical. Many countries will be forced to import food

in excess of normal imports because full production has not yet been achieved. Prudence in the consumption of world food supplies is necessary.

The United States is aware of the fact that it may be necessary to find various methods of affording further assistance to some countries in 1947. To this end various agencies of this Government are completing plans so that proper solutions can be effected.

Having been largely successful in averting world tragedy during the most difficult period after the war, it would be doubly tragic if we were not prepared to meet the less difficult task ahead. We must be ready with workable plans which will enable the war-devastated countries to face the future with confidence and success.

HARRY S. TRUMAN

THE WHITE HOUSE

*September 25, 1946*

## Air Coordinating Committee

[Released to the press by the White House September 19]

On the recommendation of Government agencies concerned with civil aviation, the President signed on September 19 an Executive order establishing an Air Coordinating Committee. In issuing the order, the President pointed out that a former committee of the same name, which certain Government departments had established 18 months ago, had proved itself a useful instrument in coordinating policy and activities in the field of aviation, but that it had become essential to create a committee with enlarged responsibilities and with membership drawn from among high officials of the Government directly concerned with aviation policy.

As chairman of the new Committee Mr. Truman has appointed Will Clayton, Under Secretary of State for economic affairs. The President recognizes, however, that Mr. Clayton's duties in the State Department may prevent his personal participation in certain of the Committee's meetings. To serve as chairman when Mr. Clayton is absent the President has appointed as co-chairman James M. Landis, chairman of the Civil Aeronautics Board.

Other agencies represented on the Committee will be the War, Post Office, Navy, and Commerce

Departments. The President has requested the heads of these departments to delegate officials with the rank of Assistant Secretary or higher as their representatives. The Committee will also include a non-voting member of the Bureau of the Budget. Other Government agencies which have a substantial interest in aviation matters coming before the Committee may participate at such times in the activities of the Committee.

The chief function of the Committee will be "to provide for the fullest development and coordination of the aviation policies and activities" of the Government, within existing statutory limits. The Committee will report periodically to the President and submit important policy recommendations to him.

Aviation specialists, in both industry and government, have recognized the desirability of closer liaison between governmental and private activities in the aviation field. To meet this need the President is instructing the Committee to set up an Aviation Industry Advisory Panel, with suitable membership drawn from private organizations, and to consult freely with this Panel.

"This Committee has been created in recognition of the increasing part which aviation is playing in our domestic and foreign affairs", the

President stated. "Only a policy-coordinating committee representing the various aviation interests of the Government and operating at a high level of authority can meet the needs of the time. Among its major duties, the Committee will play a large part in helping to develop unified policy for this country's aviation activities abroad and so provide valuable guidance for our representatives at international air conferences. I believe that the Committee will markedly accelerate our progress in the field of aviation."

The official text of the Executive order follows:

#### **EXECUTIVE ORDER ESTABLISHING THE AIR COORDINATING COMMITTEE<sup>1</sup>**

By virtue of the authority vested in me as President of the United States, and in order to provide for the fullest development and coordination of the aviation policies and activities of the Federal agencies, and in the interest of the internal management of the Government, it is hereby ordered as follows:

1. (a) There is hereby established the Air Coordinating Committee (hereinafter referred to as the Committee) which shall have as members one representative from each of the following-named agencies (hereinafter referred to as the participating agencies): the State, War, Post Office, Navy, and Commerce Departments and the Civil Aeronautics Board. The members shall be designated by the respective heads of the participating agencies. The President shall name one of the members as the Chairman of the Committee. The Director of the Bureau of the Budget shall designate a representative of the Bureau as a non-voting member of the Committee.

(b) Each officer or body authorized under subparagraph 1 (a) hereof to designate a member of the Committee shall also designate one or more alternate members, as may be necessary.

(c) The Committee shall establish procedures to provide for participation, including participation in voting, by a representative of any agency not named in subparagraph 1 (a) hereof in connection with such aviation matters as are of substantial interest to that agency.

2. The Committee shall examine aviation problems and developments affecting more than one

participating agency; develop and recommend integrated policies to be carried out and actions to be taken by the participating agencies or by any other Government agency charged with responsibility in the aviation field; and, to the extent permitted by law, coordinate the aviation activities of such agencies except activities relating to the exercise of quasi-judicial functions.

3. The Committee shall consult with Federal inter-agency boards and committees concerned in any manner with aviation activities; and consult with the representatives of the United States to the Provisional International Civil Aviation Organization or to the permanent successor thereof and recommend to the Department of State general policy directives and instructions for the guidance of the said representatives.

4. The Committee, after obtaining the views of the head of each agency concerned, shall submit to the President, together with the said views, (a) such of the Committee's recommendations on aviation policies as require the attention of the President by reason of their character or importance, (b) those important aviation questions the disposition of which is prevented by the inability of the agencies concerned to agree, (c) an annual report of the Committee's activities during each calendar year, to be submitted not later than January 31 of the next succeeding year, and (d) such interim reports as may be necessary or desirable.

5. The heads of the participating agencies shall cause their respective agencies to use the facilities of the Committee in all appropriate circumstances and, consonant with law, to provide the Committee with such personnel assistance as may be necessary.

HARRY S. TRUMAN

THE WHITE HOUSE

September 19, 1946

#### **Foreign Commerce Weekly**

The following article of interest to readers of the BULLETIN appeared in the September 14 issue of the *Foreign Commerce Weekly*, a publication of the Department of Commerce, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each:

"Report from Dairen—South Manchuria Now", based on a report from Ashley Guy Hope, economic analyst, American Consulate General, Dairen, China.

<sup>1</sup>Ex. Or. 9781 (11 *Federal Register* 10645).

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## Contributors

Irwin M. Tobin, author of "Nationalization in Great Britain: The First Year", is British Commonwealth Specialist, Division of International Labor, Social, and Health Affairs, Office of International Trade Policy, Department of State.

The German documents in this issue were selected and translated by J. S. Beddie, an Officer in the Division of Historical Policy Research, Office of Public Affairs, Department of State.

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# *The Department of State* bulletin

VOL. XV, No. 380 . PUBLICATION 2639

October 13, 1946

## *Contributors*

Leon Goldenberg, co-author of the article on the Polish naturalization law, is Chief of the Northern and Western European Section of the Division for Europe in the Office of European Affairs, Department of State. Mr. Goldenberg was formerly Chief of the Eastern European Economic Section of the former Office of Research and Intelligence. Laure Metzger was connected with the Europe, Near East, and Africa Intelligence Division in the former Office of Research and Intelligence, Department of State.

For sale by the Superintendent of Documents  
U. S. Government Printing Office  
Washington 25, D. C.

SUBSCRIPTION:  
52 issues, \$3.50; single copy, 10 cents  
Special offer: 13 weeks for \$1.00  
(renewable only on yearly basis)

Published with the approval of the  
Director of the Bureau of the Budget

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, 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.*

## THE POLISH NATIONALIZATION LAW

by Leon Goldenberg  
and Laure Metzger

The Polish Nationalization Law is far reaching in scope, and its provisions are such that practically every enterprise of importance falls under the law. This article discusses the general features of the law and the general principles of compensation to property holders, and comments on the foreign investments in pre-war Poland. Of particular interest is the attitude of the Polish Government toward the compensation of American investments in Poland.

### A. General Features

Early this year the Polish Government undertook the first important step in its over-all economic planning program. On January 3, 1946 the Polish Provisional Parliament passed a law nationalizing Poland's key industries.<sup>1</sup> According to the official election returns in the referendum of July 7, 1946, the nationalization law was sustained by the electorate.

The Polish Nationalization Law is far-reaching in scope, and its provisions are such that practically every enterprise of importance falls under the Law. It consists first of all of a punitive measure for the nationalization—without compensation—of all enterprises owned by the German Reich and by German citizens (art. II). This clause is confiscatory in character, and differs thereby from the remainder of the legislation. Other industrial enterprises are subject to nationalization with compensation if they fulfil one of two conditions: (a) if they fall into the category

of basic industries; or (b) if they are capable of employing more than 50 workers per shift.

Article III of the Nationalization Law enumerates 17 types of "basic industries": mines; natural- and synthetic-oil industries; pipe lines, refineries, and processing works; electric power and gas production and distribution; public waterworks; iron and light-metal foundries; factories producing arms, explosives, and airplanes; cokeries; sugar mills; alcohol distilleries and factories; breweries with an annual capacity over 15,000 hectoliters; edible-oil refineries with over 500 tons annual capacity; yeast factories; flour mills over 15 tons daily capacity; cold storage plants; large and medium-sized textile industries; and printing establishments. Several exceptions specifically modify the provisions of Article III:

(a) The building trades are excluded from nationalization, regardless of the size of the enterprise.

<sup>1</sup> Polish Law of Jan. 3, 1946 Regarding the Nationalization of the Basic Branches of the National Economy.

(b) The Government is authorized to raise the exemption limit for enterprises employing more than 50 employees per shift in industries of a purely seasonal character.

(c) Any existing individual enterprise not falling into the category of either a basic industry or an enterprise employing over 50 workers per shift may be nationalized on the recommendation of the competent minister if it "holds a production monopoly in an important branch of the national economy". The law specifies that this provision may be used as a basis for the nationalization of banking establishments, special storage facilities, and transshipment installations connected with ports and railroads. On the other hand, the Government, at the recommendation of the competent minister, may exempt individual undertakings from the provisions of the nationalization law.

(d) Administrative decisions implementing Article III of the nationalization law may be taken only until December 1, 1946.

(e) Decisions concerning the nationalization of individual enterprises are left to the discretion of the minister under whose jurisdiction a particular business belongs.

(f) The formation of new enterprises in the fields of industry, which are subject to nationalization because of their basic character, will require a license issued by the competent minister and the Central Planning Office.

Articles V and VI of the Nationalization Law deal with the rights and obligations of the state and with the transfer procedure for transferring enterprises to the state. Although the state will acquire all the assets and other rights of nationalized enterprises, it will be free of all the charges and obligations of such enterprises, except for those of a "public-legal"<sup>1</sup> nature.

On April 1, 1946 a decree was issued by the Polish Council of Ministers concerning the procedure governing nationalization of enterprises. The most important paragraphs of the decree have been summarized in a note received from the Polish Embassy in Washington on April 30, 1946. According to this note, "these regulations guar-

antee the owners of enterprises which are sought to be taken over by the State an opportunity to assert their right in proceedings before the appropriate Regional Nationalization Boards and before the appellate organ which is the Chief Commission for Nationalization attached to the Central Planning Office". The Polish note further stated that the agencies in charge of executing the decree are required to publish a list of enterprises to be taken over by the state.

Although the expressed intent of the note is to allow sufficient time for filing exceptions by any owner concerned, a period of only 30 days from the date of official publication of a list of properties is allowed for owners to protest the nationalization of a firm without compensation under Article II and to register a claim for transferring the firm to a list under Article III for nationalization with compensation. When a list is not issued for several days after its official publication date, the time permitted for filing protests is reduced correspondingly. The owners are entitled to call witnesses and experts in the proceedings before a Regional Nationalization Committee. The owners concerned may appeal decisions of the regional commissioners to the General Nationalization Board within 14 days from the date of publication of such decision in the official journal. Proceedings before the General Board shall be public, and notice of sessions shall be given by publication in the *Monitor Polski*.

Owners affected by the nationalization act may appoint proxies and attorneys to protect their rights in proceedings before a Regional Commission. Proceedings with regard to compensation provided for in executive regulations to the law of January 3 may be instituted only after it has been determined whether a particular enterprise is subject to the provisions of the act and whether as such it has been formally taken over by the state.

Another article stipulates the drawing up of a "transfer protocol" in which the owner of the enterprise can participate and include his comments. These protocols are to include an accurate description of the enterprise, a list of all the component parts of the total assets of the enterprise, and a description of the equipment. It was also stated that owners of the component parts would receive compensation on the same principles as creditors of the enterprise and could participate in

<sup>1</sup>The term *public-legal* is from the official English translation prepared by the Polish Government. As there is no further definition of the term, the exact nature of the obligations referred to cannot be determined on the basis of present information.

the drawing up of the transfer protocol. Furthermore, owners of the enterprises to be nationalized are to take up residence on Polish territory or appoint an attorney for receipt of official documents.

## B. Compensation Features

Article VII of the Nationalization Law outlines the principles of compensation to property holders:

“(1) The owner of an undertaking taken over by the State (Article III) will receive compensation from the State Treasury within one year from the day of his receipt of notification as to the legally established amount of compensation due him.

“(2) This compensation will in principle be paid in securities, and in exceptional, economically justified cases, may be paid in cash or in other values.

“(3) The amount of compensation due will be established by special commissions. The interested parties will have the right to appear before these commissions. In the event of necessity and in any case at the request of interested parties, the commission will call competent experts.

“(4) An order of the Council of Ministers will determine the constitution of the commission, the manner of appointment of its members, the number of members constituting a quorum, the mode of procedure of the commission, and the procedure for appeals against its decisions.

“(5) When establishing the compensation to be paid, the following factors should be taken into consideration:

(a) The general decrease of the value of the national assets.

(b) The net value of the assets of the enterprise on the day of its nationalization.

(c) The reduction in the value of the enterprise as a result of war losses and losses sustained by the enterprise as the result of war and occupation from September 1, 1939 to the moment of its nationalization.<sup>1</sup>

(d) The amount of investment after September 1, 1939.

(e) The special circumstances affecting the value of the enterprise (the period of duration of concessions, licenses, etc.)

“An order of the Council of Ministers will determine in detail the basis of calculating compen-

sation, (section (2)) as well as the method of amortizing the securities.”<sup>2</sup>

As may be seen from the text of Article VII, the provisions for compensation are subject to broad administrative interpretation.

Hilary Mine, the Polish Minister of Industry, when discussing compensation for nationalized property, emphasized that the Government had adopted the principle of compensation “although it burdens the whole state and delays reconstruction”. He added, however, “I think I represent the whole nation when I say that just compensation should be paid to such an extent, in such form, conditions, and terms, that it would not handicap the development of our economy.”<sup>3</sup>

Since the procedures for transferring enterprises to the state are dealt with only in the broadest terms (art. VI) the compensation problems may be further complicated by administrative decisions. The attitude of the Polish Government on the compensation of American investors is revealed in the note of the Polish Embassy dated April 30, 1946, which stated:

“The Polish Government wishes to stress the close relationship existing between the time when it will be possible to pay effective compensation to citizens of the United States and the time required for the reconstruction of Poland’s war ravaged economy. In order to achieve the objectives sought in the note of January 17, 1946—that compensation to citizens of the United States be ‘effected in a manner which would permit an exchange of the amounts paid for dollars in the shortest possible time’—the dollar reserves of Poland must first be substantially increased through the development of exports which in turn is contingent on the expansion of the country’s production. The Polish Government expresses its hope that the stabilization of the world’s economy will make it possible for large-scale financial as-

<sup>1</sup> A separate claim for war damage can be filed. It was reported that the War Reparations Bureau, attached to the Council of Ministers, is accepting such claims for registration and statistical purposes from Polish citizens as well as from foreigners. Submission of the claim does not, however, mean that payment of the damages may be expected in the near future.

<sup>2</sup> Polish Law of Jan. 3, 1946 Regarding the Nationalization of the Basic Branches of the National Economy (art. VII).

<sup>3</sup> Warsaw Radio, Jan. 2, 1946.

sistance to be made available to Poland in order that the reconstruction program may be accelerated and thus permit Poland to make compensation payments of the kind referred to in the note of January 17, 1946, sooner than would otherwise be the case.

"In view of the difficulties explained in the above paragraph and the further difficulty of making final appraisal of any specific property involved in terms of a transferable foreign currency, the Polish Government feels compelled to point out that it would appear to be premature at this present moment to undertake final determinations of individual cases. The Polish Government wishes, however, to express its readiness to begin general discussions with the Government of the United States on compensation to any American citizen for enterprises taken over by the Polish State."

Thus the note suggests a willingness in principle to pay compensation in dollars. It further suggests that the Polish Government is particularly interested at this time both in avoiding specific

<sup>1</sup>The significant distinction under Polish law between limited liability companies and joint-stock companies relates to the negotiability of securities.

<sup>2</sup>Concise National Yearbook of Poland, September 1939-June 1941. Available.

commitments and in keeping the negotiations alive. It also intimates that there will be a relationship between the amount of "financial assistance" made available to Poland and the payment of adequate compensation to interested Americans.

#### **Note on Foreign Investments in Pre-War Poland**

Foreign investments played an important part in building up Poland's pre-war industries. In 1937, out of a total of 1,066 active joint-stock companies, 391 had foreign participation with foreign capital amounting to 1,294,300,000 zlotys (\$244,600,000), or 40.1 percent of their total capital. Foreign investments were primarily concentrated in the mining and petroleum industries and, to a lesser extent, in the textile, chemical, public utility, communication, and transportation industries. Foreign participation was also prominent in limited liability companies<sup>1</sup> and in business partnerships. Although out of a total of 3,590 limited liability companies only 403 had foreign shareholders and although foreign interests were represented in only 999 of a total of 17,085 partnerships, the percentage of foreign capital invested was considerable, representing 103,800,000 zlotys (\$19,600,000) or 32.7 percent of the total capital owned by limited liability companies and partnerships.<sup>2</sup>

## **Nationalization of Polish Industries**

[Released to the press October 5]

The Polish Government released on September 30, 1946 a list of 513 firms in Poland which are to be nationalized without compensation to the owners and another list of 404 firms for which the Polish Government proposes to compensate the owners. Since American interests may be involved, both lists are being forwarded to the Department by the United States Embassy in Warsaw and will be published as soon as they are received.

The firms designated for nationalization without compensation were stated by the Polish Ministry of Industry to have been owned by the German Government or by German citizens. Included among these there may be firms in which United States nationals own an interest and in which the alleged German ownership was acquired without the consent of the owners subsequent to the German invasion of Poland. In some cases it is understood that the owners were denied access to their property and records after the seizure by the Germans.

According to an order of the Polish Council of Ministers, dated April 1, 1946, only 30 days from the date of publication of these lists in Poland is allowed for entering protests against nationalization with or without compensation with the appropriate Polish Provincial or Central Committees. The effective date of publication of these lists was September 23, 1946, although they were not released to the public until September 30, 1946. While the United States Government is endeavoring to obtain an extension of time in order to permit proper protection of American interests, American claimants are urged to enter their protests at the earliest possible date.

The Polish Government requires that owners of nationalized firms have a legal residence or a legal representative in Poland for the receipt of official documents and notices regarding the hearing of their cases. Americans who wish to employ the services of attorneys in Poland may obtain a list of attorneys furnished to the Department of State. The Department, however, can assume no responsibility for the persons named therein.

## Soviet Position Concerning Revision of Montreux Convention

The recent note of the Soviet Government, presented to the Turkish Government on September 24, 1946,<sup>1</sup> substantially reiterates the position taken in the Soviet note of August 7, 1946.<sup>2</sup> The Soviet note, for example, repeats the charges of violations of the Montreux convention during the war. It notes Turkish acceptance as a basis for discussion of the first three principles set forth in the August 7 note concerning commercial freedom of the Straits, opening of the Straits to the warships of Black Sea powers, and closure to warships of non-riparian powers "except in cases especially provided for". These principles had been outlined in the American note of November 2, 1945.<sup>3</sup>

In view of Turkish objections, the Soviet note discussed points 4 and 5 involving the establishment of a regime of the Straits by the Black Sea powers and the setting up of a joint Turco-Soviet system of defense for the Straits, at some length. In the opinion of the Soviet Government, since the Straits led into the assertedly "closed" Black Sea and differed, therefore, from world seaways like Gibraltar or the Suez Canal, it was necessary that a regime of the Straits which would above all meet the special situation and the security of Turkey, the U. S. S. R., and the other Black Sea powers should be established. The note indicated that Turkey had accepted the principle of the elaboration of a regime of the Straits by Turkey and the Black Sea powers in the treaties of Moscow (March 16, 1921) and Kars (October 13, 1921) and in the Turco-Ukrainian agreement of May 21, 1922.

The Soviet note also elaborates on the theme of joint Turco-Soviet defense of the Straits, pointing, among other things, to the passage of the

German cruisers *Goeben* and *Breslau* in August 1914 through the Straits as well as to alleged incidents during World War II. The fact that the Soviet Union has a shoreline of some 1,100 miles along the Black Sea which gives access to important regions of the country is also cited as a reason for direct participation of the Soviet Union in the defense of the Turkish Straits. In the Soviet view, only a joint system of defense could offer genuine security to all parties directly concerned, namely Turkey and the other Black Sea states.

The Soviet Government expressed the view that its position as to joint defense was entirely consonant with the principles of the Charter of the United Nations since the Soviet proposal was intended to serve not only the general interests of international commerce, but to create the conditions for the maintenance of the security of the powers of the Black Sea and to contribute to the consolidation of the general peace.

Finally the Soviet note stated the view of the Soviet Government, in the light of the Potsdam Conference (1945), that the Straits regime should be revised to meet present conditions and that the calling of a conference for this purpose should be preceded by a discussion of the question through direct *pourparlers* between governments.

<sup>1</sup> Not printed.

<sup>2</sup> BULLETIN of Sept. 1, 1946, p. 420.

<sup>3</sup> Not printed. The principles which, in this Government's view, might serve as a basis for a revision of the Montreux convention, were announced by the Secretary of State in a press and radio news conference on November 7 and were published in the BULLETIN of Sept. 11, 1945, p. 766. For article on Montreux Convention of the Straits by Harry N. Howard see BULLETIN of Sept. 8, 1946, p. 435.

## THE PARIS PEACE CONFERENCE

### General Principles for a Free International Danube

#### REMARKS BY SENATOR VANDENBERG<sup>1</sup>

The Delegation of the United States has no direct commercial interest in the Danube problem, but we have an emphatic interest in international peace and security and in avoiding international trade barriers which invite discrimination and friction. These factors here involved have a special temporary interest in the Danube because it is an important—and now stagnant—artery of commerce in the American zones of occupation in Germany and Austria. Therefore we feel entitled to urge these general principles for a free international Danube as contained in the U. S. and U. K. proposal.

As regards our temporary interest, it is well known that we want Germany administered as an economic unit pursuant to the unmistakable Potsdam mandate for the benefit of the total German economy. It is historically clear that Danubian commerce cannot prosper if it is at the mercy of various uncoordinated, restrictive, and discriminatory administrations which respond to the local judgments of the eight national jurisdictions through which the Danube flows. Some of the

troublesome current problems on the Danube are the result of thus dividing the Danube in watertight compartments. So long, therefore, as American occupation continues in Germany and Austria, we are “parties in interest”—although it is a very unselfish interest.

But our basic concern is something else. Here is the longest navigable waterway in Europe west of the Soviet Union. It is important to the commerce of eight riparian states and to the commerce of many other states. It has long involved other significant impacts upon central Europe. As was once said of the Thames, the Danube is “liquid history”.

Such a stream is an inevitable factor in the peace of the area it serves; therefore it is a factor in the total and indivisible peace which we are all pledged to sustain.

The Danube River system is of great importance in the exchange of commodities among the nations in the Danube basin and as a means of contact with the outside world. Its significance as an artery of trade is enhanced by the comparative inadequacy of rail and highway facilities in this area. These things are important to all of us, because the restoration of a sound economy is prerequisite to a sound peace. It is impossible to contemplate a prosperous Danube without an over-all assurance of navigation and commerce free from discriminations and arbitrary sectional

<sup>1</sup>Made at the meeting of the Economic Commission for the Balkans and Finland at the Paris Peace Conference on Sept. 30, and released to the press on the same date. Senator Vandenberg is a member of the United States Delegation to the Conference. For article on Danubian transportation problems in relation to development of the Basin, see BULLETIN of June 30, 1946, p. 1108.

barriers. It is equally impossible otherwise to contemplate a peaceful Danube, because it is historically a zone of friction.

These are old truths. They have been recognized by the maintenance of international administration of the Danube in differing degrees since 1856. The Treaty of Versailles internationalized the Danube, for example, from the head of navigation to the sea and established free navigation throughout the river's length with a control commission including other than riparian states as a recognition of the breadth of interest involved.

It is needless to trace the fluctuating fortunes of the various Danubian commissions since 1856. The important point in the American view is that this relative freedom of navigation on the Danube has been accepted in one form or another as essential for 90 years. It is obviously even more essential in this new era when the United Nations are making common cause for peace and progress.

The pending proposal, Mr. President, declares a set of general principles. Navigation shall be free and open on terms of equality to all states. Laws and regulations shall be non-discriminatory. No obstacles to navigation shall be placed in the main channels. No tolls or other charges shall be levied except to defray the costs of development and maintenance, and the latter shall be administered in such a manner as not to discriminate against any state. Equality is guaranteed Rumania in any international regime. In addition to these general principles a conference of all interested states shall meet within six months to establish this regime. Any disagreements will be umpired by the International Court of Justice.

Mr. President, so far as these general principles are concerned, I venture to say that they have been inherent in the Danubian regime in one form or another throughout these 90 years. This is no new concept. It has been acknowledged as the essential formula for peace and progress—no matter how illy implemented—for almost a century. It seems to the American Delegation that it would be a great mistake for us to turn our backs upon all this history and experience. Worse, our silence would be an actual retreat—an abandonment of freedoms long established before we fought World War II for greater freedoms. It seems to us that the world is entitled to know that its peacemakers are at least "holding their own" and not slipping back into darker ages.

We agree that riparian states have a special interest, but all riparian states except enemy states are represented at this table. The others have a right of consultation under this proposal in developing these plans unless we intend to repudiate history and experience which we do not anticipate. It seems to us we should welcome an opportunity in this Rumanian treaty to pledge Rumania to these general principles, particularly in view of the fact that it was Rumania which upset the fairly satisfactory international regime in 1938 by demanding a rendition to herself of the substantive powers of the then existing Danube Commission.

In a word, Mr. President, it seems to the American Delegation that if we intend that the Danube shall resume the freedoms heretofore established and shall develop in peace and progress we must say so now. It is our only chance. We shall not collide with any Danubian aspirations unless these aspirations collide with these freedoms. In such an unexpected event it is doubly necessary that we should anticipate the protective contract now.

For these reasons the United States Delegation has joined with the proposal of the United Kingdom in its present or in any perfected form.

Regarding the draft peace treaty with Rumania, part VII, article 34, Clauses Relating to the Danube, a redraft submitted September 27 by the U. K. and U. S. Delegations of article 34 to supersede the existing U. S. and U. K. drafts reads as follows:

"A. Paragraphs 1 through 6 are exactly the same as in the draft peace treaty with Rumania. There is added one paragraph reading: 'B. A conference consisting of U. S., U. S. S. R., U. K., and France together with the riparian states including Rumania will be convened within a period of six months of the coming into force of the present treaty to establish the new permanent international regime for the Danube.'"

## Letters of Credence

### MINISTER OF RUMANIA

The newly appointed Minister of Rumania, Dr. Mihail Ralea, presented his credentials to the President on October 1. For texts of the Minister's remarks and the President's reply, see Department of State press release 690.

## International Traffic on the Danube River

### DRAFT RESOLUTION SUBMITTED TO ECONOMIC AND SOCIAL COUNCIL BY U. S. DELEGATION<sup>1</sup>

In view of the critical limitations of shipping facilities on the Danube River which are adversely affecting the economic recovery of southeastern Europe, the Economic and Social Council recommends that a conference of representatives from all interested States be arranged under the auspices of the United Nations, to meet in Vienna not later than 1 November, for the purpose of resolving the basic problems now obstructing the resumption of international Danube traffic and establishing provisional operating and navigation regulations.

Interested States are the riparian states, states in military occupation of riparian zones, and any states whose nationals can demonstrate clear title to Danube vessels which are now located on, or have operated prior to the war, in international Danube traffic.

As a basis for discussion in this projected conference of representatives from interested States,

the Economic and Social Council submits the following recommendations:

(a) that commercial traffic be resumed on the Danube from Regensburg to the Black Sea;

(b) that security from seizure be guaranteed to all ships, their crews, and cargoes;

(c) that all Danube vessels (except German) be allowed to sail under their own national flag;

(d) that adequate operating agreements be arranged between the interested States as well as the national and private shipping companies, under general supervision of the occupying powers to permit the maximum use of the limited shipping facilities;

(e) that information be exchanged freely on condition of navigation and that responsibility be undertaken for river maintenance over the entire length of the river.

## Assistance to Food and Agriculture Organization on Longer-Term International Machinery for Dealing With Food Problems

### RESOLUTION TO BE PROPOSED BY THE U. S. DELEGATION<sup>2</sup>

THE ECONOMIC AND SOCIAL COUNCIL,

Sharing with the FAO the basic objective of preventing recurrences of the phenomenon of inadequate food supplies in some parts of the world at times of food surpluses in other parts of the world,

COMMENDS the FAO for taking the initiative in establishing a Preparatory Commission to recommend specific international action toward this end,

APPOINTS as its two representatives on the Preparatory Commission the Chairman of the Economic and Employment Commission or his deputy and the Chairman of the Preparatory Committee

for the International Conference on Trade and Employment or his deputy,

REQUESTS these representatives to report on the deliberations of the Preparatory Commission to each session of the Council until the Commission completes its work,

REQUESTS the Economic and Employment Commission to keep itself closely informed of the progress of the deliberations of the Preparatory Commission and to advise the Council as to the nature and timing of further measures that may be required in order to assure progress toward the basic objective,

REQUESTS the Secretary-General to provide the Council's representatives on the Preparatory Commission with competent and adequate assistance for the performance of this function and actively to assist the Economic and Employment Commission in carrying out this resolution.

<sup>1</sup> Document E/94/Rev. 1, Agenda item No. 21 of Document E/192, Sept. 29, 1946.

<sup>2</sup> Item 6 of the agenda relating to Document E/198, Sept. 30, 1946.

# Committee on the Terms of Reference of the Subcommissions of the Economic and Employment Commission: Proposal by the Delegation of the United States of America<sup>1</sup>

September 24, 1946.

MY DEAR MR. LIE:

In connection with the current discussions in the Economic and Social Council regarding the establishment of a Sub-Commission on Economic Development under the Economic and Employment Commission, I wish to bring to your attention the importance which the United States Government attaches to the work of the United Nations in this field.

As the Economic and Social Council recognizes, the main international function of promoting industrial and economic development of underdeveloped countries should be centered in the Economic and Social Council. The Food and Agriculture Organization, the International Labor Organization, the International Bank for Reconstruction and Development, and, when it shall have come into existence, the International Trade Organization, all have important contributions to make to the promotion of economic development. The co-ordination of these activities is, of course, a responsibility of the Economic and Social Council.

In addition to the work which the Food and Agriculture Organization is initiating in the field of agricultural resources, it seems important to the United States that the following functions be carried out in the field of industrialization and non-agricultural resources:

(a) To investigate problems in the development of industrialization and to make recommendations concerning policies for promotion of such development.

(b) To develop appropriate policies of international co-operation with respect to:

(i) scientific, technological, and economic research relating to industrial production and development;

(ii) the conservation of mineral and other non-agricultural resources and the adoption of improved methods of mineral and industrial production;

(iii) the adoption of improved technical processes to stimulate greater productivity and more effective industrial administration.

(c) To furnish such technical assistance as members of the United Nations may request, within the resources of the United Nations, to aid in the making of surveys of geological and mineral resources, potential markets and opportunities for industrial development in general, and to organize in co-operation with the governments concerned such missions as may be needed to perform these functions.

(d) To collect statistics on present and projected mineral and industrial developments, to conduct studies and inquiries concerning such developments and to analyze their effects upon non-agricultural industries and upon the world economy in general.

(e) To arrange for consultation among members of the United Nations and to consult with members of their development programmes with a view to the co-ordination of such programmes and to promoting international adjustments where necessary.

(f) Upon request, to advise the International Bank on specific industrialization projects and larger development programmes with a view to assisting in the elaboration of financial policies for such developmental purposes.

(g) To conduct studies into the need for, and methods of, the international incorporation of private business firms conducting business operations on an international or world scale.

I am instructed to urge that in the planning of the work of the Secretariat, adequate funds and staff be allocated to enable the Economic and Social Council to perform the functions which are outlined above. I should also appreciate your making copies of this letter available to the Sub-Commission on Economic Development for its consideration when it begins the planning of its work.

Sincerely yours,

JOHN G. WINANT

His Excellency TRYGVE LIE,  
*Secretary-General, United Nations,  
Lake Success,  
Long Island, New York.*

<sup>1</sup>Economic and Social Council Document E/AC.11/7, Sept. 26, 1946.

## Summary Statement by the Secretary-General<sup>1</sup>

### MATTERS OF WHICH THE SECURITY COUNCIL IS SEIZED AND THE STAGE REACHED IN THEIR CONSIDERATION

Pursuant to Rule 11 of the Provisional Rules of Procedure of the Security Council, I submit the following Summary Statement of matters of which the Security Council is seized and of the stage reached in their consideration on 20 September 1946.

#### 7. *The Greek Situation*

By letter dated 5 September 1946 addressed to the President of the Council (S/151), the Representative of the People's Republic of Albania to the United Nations requested, under Article 32, that he be invited to present to the Council a statement of facts concerning the application by the Ukrainian S.S.R. This request was considered at the sixty-second and sixty-fourth meetings and nine Representatives voted in favour of inviting the Representative of Albania to make a factual statement, one against and one abstained. The Representative of Albania was, therefore, invited to the Council table and presented his statement. The discussion on the substance of the Ukrainian S.S.R. application was then resumed, and continued at the sixty-fifth and sixty-sixth meetings.

By telegram dated 11 September 1946 (S/158), the Minister of Foreign Affairs, a.i., of the People's Republic of Albania drew the attention of the Council to the situation created on the Greco-Albanian frontier by the continual provocations due to the action of the Greek Soldiers. He stated that the incidents seriously endangered tranquility in the Balkans and requested the Council to use all its influence to put an end to the Greek provocations by availing itself of all the means at its disposal under the Charter of the United Nations.

At the sixty-seventh meeting the Representative of the U.S.S.R. submitted the following resolution:

"THE SECURITY COUNCIL ESTABLISHES THE FACT:  
that on the Greco-Albanian border there is of late a constant increase in the number of frontier

incidents provoked by aggressive Greek monarchist elements who are striving by this means to bring about an armed conflict between Greece and Albania for the purpose of detaching Southern Albania for the benefit of Greece,

that the persecution of national minorities in Greece by the Greek Government, by provoking national strife, is straining the relations between Greece and her other neighbours,

that the unbridled propaganda of the aggressive Greek monarchist elements demanding the annexation of territories belonging to these neighbours threatens to complicate the situation in the Balkans, where for the first time as the result of the victory gained by the armed forces of the United Nations, the foundation has been laid for the democratic development of the Balkan countries, and for their close collaboration in the cause of establishing a firm and lasting peace,

that in their policy of aggression the aggressive Greek monarchist elements are striving to exploit the results of the falsified plebiscite held on 1 September under terroristic conditions, in which all the democratic parties of various trends were removed from political life. They are likewise exploiting the presence of British troops on Greek territory, who in spite of the repeated declaration by the Minister for Foreign Affairs of Great Britain that these troops would be withdrawn after the elections of 31 March 1946, continue to remain even at the present time on the territory of Greece:

that all these circumstances create a situation envisaged by Article 34 of the Charter of the United Nations and endanger peace and security.

For the above-mentioned reasons THE SECURITY COUNCIL RESOLVES to call upon the Greek Government:

Firstly, to take measures in accordance with Article 2, Paragraph 4 of the Charter of the United Nations for the immediate cessation of the provocative activities of the aggressive monarchist elements on the Greco-Albanian frontier;

secondly, to call upon the Greek government to put an end to the agitation regarding the state of war which is said to exist between Greece and Albania, in spite of the fact that Albania is en-

<sup>1</sup> Security Council Document S/164, Sept. 20, 1946.

This summary supplements the one printed in the BULLETIN of Sept. 22, 1946, p. 52S; the omitted parts correspond substantially to the material formerly printed.

deavouring to establish normal peaceful relations with Greece;

thirdly, to terminate the persecution of national minorities in Greece, as contrary to Article 1, Paragraphs 2 and 3 of the Charter of the United Nations;

fourthly, to retain on the agenda of the Security Council the question of the menacing situation brought about as the result of the activities of the Greek Government so long as the latter fails to carry out the recommendations proposed to it by the Security Council.

The Representative of Australia proposed a resolution

"that the Security Council pass to the next item of business". Discussion on these resolutions and on the substance of the Ukrainian S.S.R. application continued at the sixty-eighth meeting.

At the sixty-ninth meeting the following resolution was proposed by the Representative of the Netherlands:

"THE SECURITY COUNCIL.

Having been informed that a number of frontier incidents have taken place on the frontier between Greece on the one hand and Yugoslavia, Albania and Bulgaria, on the other hand,

INVITES THE SECRETARY-GENERAL to notify the Governments of the said countries on behalf of the Security Council, that the Council, without pronouncing any opinion on the question of responsibility, earnestly hopes that these Governments, each insofar as it is concerned, will do their utmost, inasmuch as that should still be necessary, to stop those regrettable incidents by giving appropriate instructions to their national authorities, and by making sure that these instructions be rigidly enforced."

## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### Calendar of Meetings<sup>1</sup>

IN SESSION AS OF OCTOBER 6, 1946		
Far Eastern Commission.....	Washington.....	February 26
United Nations:		
Security Council.....	Lake Success.....	March 25
Military Staff Committee.....	Lake Success.....	March 25
Commission on Atomic Energy.....	Lake Success.....	June 14
UNRRA Planning Commission for International Refugee Organization.	Washington.....	July 24
Economic and Social Council: Third Session with Commissions and Subcommissions.	Lake Success.....	September 11–October 3
Paris Peace Conference.....	Paris.....	July 29
German External Property Negotiations with Portugal (Safehaven)...	Lisbon.....	September 3
PICAO:		
Interim Council.....	Montreal.....	September 4
Divisional		
U. K. Demonstrations of Radio Aids to Air Navigation.....	London.....	September 9–30
Special		
Conference on North Atlantic Ocean Stations.....	London.....	September 17–24
Regional		
Middle East Regional Air Navigation Meeting.....	Cairo.....	October 1–15
ILO: Twenty-ninth Session of the International Labor Conference...	Montreal.....	September 19–October 9
International Film Festival.....	Cannes.....	September 20–October 5
Board of Governors of the International Monetary Fund and Bank: Joint Meeting.	Washington.....	September 27–October 3

<sup>1</sup> Calendar prepared by the Division of International Conferences, Department of State.

## Calendar of Meetings—Continued

Five Power Telecommunications Meeting.....	Moscow.....	September 28
Caribbean Tourist Conference.....	New York.....	September 30–October 9
International Tourist Organizations Conference.....	London.....	October 1–7
Second Pan American Congress of Mining Engineering and Geology..	Rio de Janeiro.....	October 1–15
Second Pan American Congress of Physical Education.....	Mexico City.....	October 1–15
<b>SCHEDULED FOR OCTOBER–DECEMBER 1946</b>		
Eighteenth International Congress for Housing and Town Planning..	Hastings, England...	October 7–12
PICAO:		
Divisional		
U.S. Demonstrations of Radio Aids to Air Navigation.....	New York–Indianapolis.	October 7–26
Meteorological Division.....	Montreal.....	October 29
Special Radio Technical Division.....	Montreal.....	October 30–November 8
Communications Division.....	Montreal.....	November 19
Search and Rescue Division.....	Montreal.....	November 26
Rules of the Air and Air Traffic Control Practices Division.....	Montreal.....	December 3
Regional		
Air Traffic Control Committee, European-Mediterranean Region..	Paris.....	October 28
Conference on Tin.....	London.....	October 8–12
Preparatory Commission of the International Conference on Trade and Employment: First Meeting.	London.....	October 15
Permanent Committee of the International Health Office.....	Paris.....	October 23
United Nations: General Assembly (Second Part of First Session)...	Flushing Meadows..	October 23
United Maritime Consultative Council: Second Meeting.....	Washington.....	October 24–30
International Commission for Air Navigation (CINA): Twenty-ninth Session.	Dublin.....	October 28–31
FAO: Preparatory Commission to study World Food Board Proposals..	Washington.....	October 28
UNESCO:		
"Month" Exhibition.....	Paris.....	October 28–December 1
General Conference.....	Paris.....	November (Exact date not determined)
World Health Organization: Interim Commission.....	Geneva.....	November 4
International Technical Committee of Aerial Legal Experts (CITEJA)..	Cairo.....	November 6
Inter-American Commission of Women.....	Washington.....	November 11–20
ILO:		
Industrial Committee on Textiles.....	Brussels.....	November 14
Industrial Committee on Building, Engineering and Public Works..	Brussels.....	November 25

**ACTIVITIES AND DEVELOPMENTS »****U. S. DEMONSTRATIONS OF RADIO AIDS TO AIR NAVIGATION<sup>1</sup>**

Representatives of 62 nations have been invited to observe demonstrations of United States radio aids to air navigation which will be held at New

<sup>1</sup> Prepared by the Division of International Conferences, Department of State.

York and Indianapolis from October 7 to 26, 1946.

The demonstrations were requested by the Provisional International Civil Aviation Organization (PICA0), which is attempting to standardize the facilities used in international flying.

The War and Navy Departments, the Coast Guard, the Civil Aeronautics Administration, and various United States manufacturers will demonstrate some 50 types of the most advanced radio, radar, and television equipment for safe and speedy air operations.

The delegates will convene in Montreal after the demonstrations to discuss a uniform system of radio aids to world air navigation.

### CONFERENCE ON TIN<sup>1</sup>

The Conference on Tin which is scheduled to meet at London from October 8 to 12, 1946 was called upon the invitation of the Government of the United Kingdom. The main purposes of the Conference are to explore the prospective world tin situation in production and consumption and to consider the possible need of establishing an intergovernmental study group, representative of producing and consuming countries. Both in the *Proposals for Expansion of World Trade and Employment* issued by the United States Government nearly a year ago and in the recently issued *Suggested Charter for an International Trade Organization*, it is recognized that burdensome surpluses, or other special difficulties, may arise in connection with the production of particular commodities, and provisions are made for intergovernmental study and action in such situations through the machinery of the proposed International Trade Organization. The Conference on Tin is being called in the light of these provisions.

The countries which have been invited by the United Kingdom to send delegations to the Conference include the principal tin producing and consuming areas. They are Belgium, Bolivia, China, France, the Netherlands, Siam, the United States of America, and the Union of Soviet Socialist Republics.

The members of the United States Delegation are as follows:

#### Chairman:

Donald D. Kennedy, Chief, International Resources Division, Department of State

#### Advisers:

Henry Buckman, Consulting Engineer, Washington, D. C.

H. C. Bugbee, Attaché, American Embassy, London, England

John J. Croston, Deputy Director, Metals and Minerals Division, Civilian Production Administration

Carl Ilgenfritz, Vice President, Carnegie-Illinois Steel Corporation, Pittsburgh, Pa.

Jesse C. Johnson, Deputy Director, Office of Metals Reserve, Reconstruction Finance Corporation

Samuel Lipkowitz, Chief, Minerals Section, International Resources Division, Department of State

Elmer W. Pehrson, Chief, Economics and Statistics Branch, Bureau of Mines, Department of Interior

#### Stenographer:

Miss Roseann Coulton, Department of State

In the period between the World Wars, there developed various controls over the production and export of tin in the main producing countries, culminating in the establishment and operation of the International Tin Committee. These controls, in which the governments of several producing countries participated, were prompted in large part by the very serious situation in which producers found themselves in the years of the great depression.

During World War II, because of the great importance of tin as a war material and because of the disruption of supplies caused by Japanese action in the great producing areas of the Malayan Peninsula and the East Indian islands, tin was made subject to the closest kind of governmental control in nearly all countries. With continued shortage of supplies resulting from wartime destruction, controls are still maintained, including international allocation by the Combined Tin Committee, upon which there are representatives of the principal producing and consuming nations. At the same time, however, there is promise of gradual recovery of tin production.<sup>2</sup>

<sup>1</sup>Prepared by the Division of International Resources in collaboration with the Division of International Conferences, Department of State.

<sup>2</sup>The position of tin in the transition period is described by John W. Barnet in an article in the BULLETIN of Aug. 4, 1946.

Tin is so important a commodity in the economy of several of the producing countries and it is so interesting from the standpoint of the history of production and market controls that the present conference in London is one of more than ordinary interest.

**U. S. DELEGATION TO FIRST MEETING OF PREPARATORY COMMITTEE FOR INTERNATIONAL CONFERENCE ON TRADE AND EMPLOYMENT**

[Released to the press October 4]

Acting Secretary Acheson announced on October 4 that the President has approved the composition of the United States Delegation to the First Meeting of the Preparatory Committee for the International Conference on Trade and Employment. This meeting will be held at London, October 15, 1946, under the auspices of the United Nations Economic and Social Council.

When the Economic and Social Council, on February 18, 1946, approved a resolution calling for an International Conference on Trade and Employment, it also constituted a Preparatory Committee of 19 nations: Australia, Belgium, Brazil, Canada, Czechoslovakia, Chile, China, Cuba, France, India, Lebanon, Luxembourg, the Netherlands, New Zealand, Norway, the Union of South Africa, the Union of Soviet Socialist Republics, the United Kingdom, and the United States. This Committee was asked to elaborate an annotated draft agenda including a draft convention for consideration by the Conference. The Council further suggested that the Preparatory Committee, in developing the agenda for the Conference, include the following topics:

(a) International agreement relating to the achievement and maintenance of high and stable levels of employment and economic activity.

(b) International agreement relating to regulations, restrictions, and discrimination affecting international trade.

(c) International agreement relating to restrictive business practices.

(d) International agreement relating to inter-governmental commodity arrangements.

(e) Establishment of an International Trade

Organization as a specialized agency of the United Nations having responsibilities in the fields of (b), (c), and (d) above.

In preparing for this and subsequent meetings, United States experts have prepared and submitted to the nations of the world the *Proposals for Expansion of World Trade and Employment* and more recently a *Suggested Charter for an International Trade Organization of the United Nations*.

The members of the United States Delegation are as follows:

*Chairman:* Clair Wilcox, Director, Office of International Trade Policy, Department of State;

*Vice Chairman:* Harry C. Hawkins, Economic Counselor, American Embassy, London;

*Delegates:* Lynn R. Edminster, Vice Chairman, United States Tariff Commission; John W. Gunter, Treasury Representative, American Embassy, London; John H. G. Pierson, Consultant on Employment Policy, Department of Labor; Robert B. Schwenger, Chief, Division of International Economic Studies, Office of Foreign Agricultural Relations, Department of Agriculture; Frank Shields, Chief of Commercial Policy Staff, Office of International Trade, Department of Commerce;

*Advisers:* Willis Armstrong, Adviser on State Trading, Department of State; Edmund Kellogg, Division of International Organization Affairs, Department of State; Donald D. Kennedy, Chief, International Resources Division, Department of State; John M. Leddy, Adviser on Commercial Policy, Department of State; Robert P. Terrill, Associate Chief, International Resources Division, Department of State;

*Technical Secretary:* J. Robert Schaetzel, Special Assistant to the Director, Office of International Trade Policy, Department of State;

*Secretary:* Basil Capella, Division of International Conferences, Department of State;

*Stenographers:* Mrs. Mary Balsinger, Miss Roseann Coulton, and Miss Dorothy Weissbrod, Department of State.

**THE SECOND PAN AMERICAN CONFERENCE ON LEPROSY<sup>1</sup>**

The Second Pan American Conference on Leprosy is scheduled to meet at Rio de Janeiro, Brazil, October 19-31, 1946. The 21 American republics and the Pan American Sanitary Bureau have been invited by the Government of Brazil to send official delegates, while the International Leprosy Association, the American Leprosy Foundation

<sup>1</sup> Prepared by the Division of International Conferences, Department of State, in collaboration with the U. S. Public Health Service.

## THE RECORD OF THE WEEK

### U. S. Aims and Policies in Europe

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

I am not in Paris today by accident. While in Moscow last December when the question of place of the Peace Conference arose I at once thought of Paris and France.

I telephoned to Mr. Bidault suggesting that if the French Government would invite the conference to meet in Paris I felt confident the invitation would be accepted. The invitation was extended and unanimously accepted.

Mr. Bidault and his associates and the people of Paris have left undone nothing that would contribute to our work and our comfort. The longer we stay—and we have been in no hurry to leave—the more the French people have made us feel at home. They not only want to be hospitable but they have the know-how.

Because of the many duties devolving on Mr. Bidault, I am amazed at his ability to find time to show such interest in the work of the Conference. He is a man of great intelligence, charm, and industry. And this intelligence, charm, and industry he always uses to promote the welfare of the country he serves and loves so well.

In this company I will not speak of the long and firm friendship which has existed between the people of France and the people of the United States—a friendship which existed before we attained our independence. That friendship runs so deep that we do not have to talk about it. Differ as we may from time to time, our two peoples always have stood and always will stand together in time of crisis. Liberty, equality, fraternity—the rights of man—are our common heritage.

Twice in my generation the soldiers of France and the soldiers of America have fought side by side in defense of their common heritage of freedom.

America is proud of her contribution to our common victory in 1945. America is proud of her contribution to our common victory in 1918. But America is not so proud of the course she followed after the victory of 1918.

In 1918 I was a follower of Woodrow Wilson. I gloried in his idealism and in the magnificent effort he made to build the peace upon the covenant of the League of Nations.

But the American people expected too much from Woodrow Wilson and supported him too little.

While he was in Paris working for peace, political opponents at home bitterly criticized his course and questioned his motives. They exaggerated and exploited the shortcomings of the Treaty of Versailles, and they belittled and besmirched what Woodrow Wilson had accomplished.

America failed to join the League of Nations. America refused to guarantee the defense of the French frontier. America allowed other countries to believe that she had no interest, and would not seriously concern herself, in what was happening in Europe, in Africa, or Asia.

But wars started, first in Asia, then in Africa, and then in Europe. Then came Pearl Harbor. America learned too late that this is one world and that she could not isolate herself from that world.

<sup>1</sup> An address delivered in Paris on Oct. 3 at the American Club and released to the press on the same date.

America is determined this time not to retreat into a policy of isolation. We are determined this time to cooperate in maintaining the peace. President Roosevelt this time sought to avoid the political opposition which had defeated the peace after the first World War. Then President Wilson neglected to invite the leaders of the political party in opposition to his administration to participate with him in making the peace.

President Roosevelt, on the other hand, asked the congressional leaders to participate in the peace studies being made by the Department of State shortly after our entry into the war.

At Yalta, immediately after the heads of government had agreed to call the San Francisco conference to draw up the Charter for the United Nations, President Roosevelt advised Secretary Stettinius and me that he would appoint on the Delegation to the San Francisco conference Republicans as well as Democrats, and would name Senator Vandenberg as the ranking Republican member of the Delegation.

Even before our entry into the war, President Roosevelt repudiated the idea that the United States was not interested in what takes place in Europe. Knowing from the start that the war was a war of aggression, he never asked the American people to be neutral in spirit.

Before we entered the war, he inspired the declaration of principles known as the Atlantic Charter, which was proclaimed by him and the Prime Minister of the United Kingdom on August 14, 1941.

It was President Roosevelt who at Yalta presented the declaration on liberated Europe which Generalissimo Stalin and Prime Minister Churchill accepted and which imposed a responsibility upon the three governments to continue their interest in the Balkan states and uphold the basic freedoms embodied in that declaration.

The policies inaugurated by President Roosevelt have been consistently followed by his successor, President Truman. He has consistently urged the carrying out in the liberated and ex-enemy states of Europe of the policies agreed to by the heads of government at Yalta at the instance of President Roosevelt.

President Truman continued the practice of seeking the cooperation of the leaders of both major political parties in the making of peace.

It was with the approval of President Truman that I invited Senator Vandenberg as well as Senator Connally to assist me in the drafting of the peace treaties.

And President Truman reenforced this bipartisan policy by appointing Senator Austin our representative on the Security Council of the United Nations.

The President has recently made known to the world in the most convincing manner possible that the foreign policy which was started by President Roosevelt and which has been consistently followed by President Truman will continue to be the policy of the American Government.

Because that policy is supported by Republicans as well as Democrats, it gives assurance to the world that it is our American policy and will be adhered to regardless of which political party is in power.

Because today we have such a policy I was able to say recently, with the approval of the President, and I am happy to be able to reaffirm here in France, that so long as there is an occupation army in Germany the armed forces of the United States will be in the army of occupation.

I would not want you to believe that our course in this regard is entirely unselfish. It is true that the United States wants no territory and seeks no discriminatory favors. The United States is interested in one thing above all else, a just and lasting peace.

The people of the United States did their best to stay out of two European wars on the theory that they should mind their own business and that they had no business in Europe. It did not work.

The people of the United States have discovered that when a European war starts our own peace and security inevitably become involved before the finish. They have concluded that if they must help finish every European war it would be better for them to do their part to prevent the starting of a European war.

Twice in our generation doubt as to American foreign policy has led other nations to miscalculate the consequences of their actions. Twice in our generation that doubt as to American foreign policy has not brought peace, but war.

That must not happen again.

France, which has been invaded three times in the last 75 years by Germany, naturally does not

want to be in doubt as to American foreign policy towards Germany.

To dispel any doubt on that score the United States has proposed that the Soviet Union, the United Kingdom, France, and the United States shall enter into a solemn treaty not only to disarm and demilitarize Germany but to keep Germany disarmed and demilitarized for 40 years. And the treaty can be extended if the interests of international peace and security require.

On June 5, 1945, Generals Eisenhower, Zhukov, Montgomery, and De Tassigny entered into an agreement providing in detail for the disarmament and demilitarization of Germany.

The treaty I proposed on behalf of the United States contains all the provisions of that agreement. It provides that all German armed forces, all para-military forces, and all the auxiliary organizations shall be kept demobilized. It provides further that the German General Staff and the staffs of any para-military organizations shall be prohibited and no German military or para-military organizations in any form or disguise shall be permitted in Germany. It provides for the complete and continued demilitarization of her war plants and for a continuing system of quadripartite inspection and control to make certain that Germany does not rearm or rebuild her armament plants or reconvert her civilian industries for war.

So long as such a treaty is in force the Ruhr could never become the arsenal of Germany or the arsenal of Europe. That is a primary objective of the proposed treaty.

The United States is firmly opposed to the revival of Germany's military power. It is firmly opposed to a struggle for the control of Germany which would again give Germany the power to divide and conquer. It does not want to see Germany become a pawn or a partner in a struggle for power between the East and the West.

The United States does not oppose but strongly urges the setting up of effective inspection and control machinery to see that Germany does not rearm, does not rebuild her armament industries or convert her civilian industries for war.

We propose that the Allied occupation of Germany should not terminate until a German government does accept the required disarmament and demilitarization clauses. Even then the proposed treaty envisages the need for limited but adequate

Allied armed forces, not for occupation purposes but to insure compliance with the treaty.

To keep watch over war potential in this industrial age engineers are more important than infantry. Engineers can detect at an early stage any effort upon the part of a manufacturer of motor cars to convert his machinery to manufacture of tanks or other weapons of war. Engineers can probe the mysteries of a chemical plant; infantry soldiers cannot.

If violations are discovered they must be immediately reported to the Commission of Control. If the Commission of Control finds that the violations are not immediately corrected by orders of the engineer inspectors, the Commission should at once demand that the German Government close the plants and punish the violators of the treaty.

If the government does not comply, the Allied representatives in 24 hours should order the necessary forces to enforce compliance.

If the Allied representatives deem it necessary they should be in a position to call for bombers from France, Britain, the United States, or the Soviet Union. These planes could fly to Germany to enforce immediate compliance.

After the last war, the great French war leader, Clemenceau, hoped to secure a guaranty that the Allies would come to the aid of France if Germany violated her frontiers. But President Wilson failed in his effort to get the American people to join in such a guaranty.

This time the American people propose not to wait until France is again invaded. They offer now to join with France, Britain, and the Soviet Union to see to it that Germany does not and cannot invade France.

Mr. Bidault, on behalf of France, and Mr. Bevin, on behalf of Britain, have accepted in principle the treaty we have proposed. I hope very much that the Soviet Union, which thus far has regarded the treaty as unacceptable, will on further examination and study find it possible to join with us to prevent Germany again from becoming a menace to the peace of Europe.

The military representatives of the Soviet Union, the United Kingdom, France, and the United States easily reached an agreement providing for the disarming of the German people and the demilitarization of German plants, to continue until the peace settlement. The United States proposes to continue this disarming and

demilitarization for 40 years after the peace settlement.

If the Allied nations will enter into the treaty which the United States proposes to keep Germany disarmed and demilitarized for at least a generation, the people of France and the people of Europe need not fear the efforts of the German people to rebuild their devastated country and rebuild a peaceful Germany.

We do want to give encouragement to the peaceful, democratic forces of Germany. We cannot do this unless we do give them a chance to govern themselves democratically.

For our own security as well as for the welfare of the German people we do not want to see an overcentralized government in Germany which can dominate the German people instead of being responsible to their democratic will.

In the American zone, we have placed great emphasis upon the development of a sense of local responsibility and have taken the lead in creating *länder* or states so that the people will look to the states and not to a central government on all matters that do not basically require national action.

We want to see the federal government of Germany created by the states and not the states created by the central government. If we so proceed we do not think we will find that the responsible representatives of the states will want to give excessive powers to the federal government.

We want a peaceful, democratic, and disarmed Germany which will respect the human rights and fundamental freedoms of all her inhabitants and which will not threaten the security of her neighbors.

We want such a Germany not because we want to appease Germany, but because we believe that such a Germany is necessary to the peace and security of France, our oldest ally, and is necessary to the peace and security of a free and prosperous Europe.

After every great war which has been won by the combined efforts of many nations, there has been conflict among the Allies in the making of peace. It would be folly to deny the seriousness of the conflict in viewpoints among the Allies after this war.

To ignore that conflict or minimize its seriousness will not resolve the conflict or help us along the road to peace. To exaggerate that conflict and

its seriousness, on the other hand, only makes more difficult the resolution of the conflict.

I concur most heartily in the view recently expressed by Generalissimo Stalin that there is no immediate danger of war. I hope that his statement will put an end to the unwarranted charges that any nation or group of nations is seeking to encircle the Soviet Union, or that the responsible leaders of the Soviet Union so believe.

I do not believe that any responsible official of any government wants war. The world has had enough of war. The difficulty is that while no nation wants war, nations may pursue policies or courses of action which lead to war. Nations may seek political and economic advantages which they cannot obtain without war.

That is why if we wish to avoid war we must destroy not only war but the things which lead to war.

Just because war is not now imminent, we must take the greatest care not to plant the seeds of a future war. We must seek *less* to defend our actions in the eyes of those who already agree with us, and *more* to defend our actions in the eyes of those who do not agree with us. But our defense must be the defense of justice and freedom, the defense of the political and economic rights not of a few privileged men or nations but of all men and all nations.

It is particularly appropriate that here in the birthplace of the doctrine of the rights of man I should reaffirm the conviction of the Government and the people of the United States that it is the right of every people to organize their own destiny through the freest possible expression of their collective will. The people of the United States believe in freedom for all men and all nations, freedom of speech, freedom of worship, freedom of assembly, freedom to progress. The people of the United States have no desire to impose their will upon any other people or to obstruct their efforts to improve their social, economic or political conditions. In our view human freedom and human progress are inseparable.

We want to give the common men and women of this world who have borne the burdens and sufferings of war a chance to enjoy the blessings of peace and freedom. We want the common men and women of this world to share in the rising standards of life which science makes possible in a free, peaceful, and friendly world.

## Statement by the President on the Palestine Situation

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

I have learned with deep regret that the meetings of the Palestine Conference in London have been adjourned and are not to be resumed until December 16, 1946. In the light of this situation it is appropriate to examine the record of the administration's efforts in this field, efforts which have been supported in and out of Congress by members of both political parties, and to state my views on the situation as it now exists.

It will be recalled that, when Mr. Earl Harrison reported on September 29, 1945, concerning the condition of displaced persons in Europe, I immediately urged that steps be taken to relieve the situation of these persons to the extent at least of admitting 100,000 Jews into Palestine.<sup>1</sup> In response to this suggestion the British Government invited the Government of the United States to cooperate in setting up a joint Anglo-American Committee of Inquiry, an invitation which this Government was happy to accept in the hope that its participation would help to alleviate the situation of the displaced Jews in Europe and would assist in finding a solution for the difficult and complex problem of Palestine itself. The urgency with which this Government regarded the matter is reflected in the fact that a 120-day limit was set for the completion of the Committee's task.

The unanimous report of the Anglo-American Committee of Inquiry was made on April 20, 1946, and I was gratified to note that among the recommendations contained in the Report was an endorsement of my previous suggestion that 100,000 Jews be admitted into Palestine.<sup>2</sup> The administration immediately concerned itself with devising ways and means for transporting the 100,000 and caring for them upon their arrival. With this in mind, experts were sent to London in June 1946 to work out provisionally the actual travel arrangements. The British Government cooperated with this group but made it clear that in its view the Report must be considered as a whole and that the issue of the 100,000 could not be considered separately.

On June 11, I announced the establishment of a Cabinet Committee on Palestine and Related Problems, composed of the Secretaries of State, War, and Treasury, to assist me in considering

the recommendations of the Anglo-American Committee of Inquiry.<sup>3</sup> The alternates of this Cabinet Committee, headed by Ambassador Henry F. Grady, departed for London on July 10, 1946, to discuss with British Government representatives how the Report might best be implemented. The alternates submitted on July 24, 1946 a report, commonly referred to as the "Morrison plan",<sup>4</sup> advocating a scheme of provincial autonomy which might lead ultimately to a bi-national state or to partition. However, opposition to this plan developed among members of the major political parties in the United States—both in the Congress and throughout the country. In accordance with the principle which I have consistently tried to follow, of having a maximum degree of unity within the country and between the parties on major elements of American foreign policy, I could not give my support to this plan.

I have, nevertheless, maintained my deep interest in the matter and have repeatedly made known and have urged that steps be taken at the earliest possible moment to admit 100,000 Jewish refugees to Palestine.

In the meantime, this Government was informed of the efforts of the British Government to bring to London representatives of the Arabs and Jews, with a view to finding a solution to this distressing problem. I expressed the hope that as a result of these conversations a fair solution of the Palestine problem could be found.<sup>5</sup> While all the parties invited had not found themselves able to attend, I had hoped that there was still a possibility that representatives of the Jewish Agency might take part. If so, the prospect for an agreed and constructive settlement would have been enhanced.

The British Government presented to the Conference the so-called "Morrison plan" for provincial autonomy and stated that the Conference was open to other proposals. Meanwhile, the Jewish

<sup>1</sup> For text of Mr. Harrison's report to the President, see BULLETIN of Sept. 30, 1945, p. 456; and for the statement of the President, see BULLETIN of Nov. 18, 1945, p. 790.

<sup>2</sup> For text of the report of the Anglo-American Committee of Inquiry, see Department of State publication 2536.

<sup>3</sup> For text of the Executive order establishing the Committee, see BULLETIN of June 23, 1946, p. 1089.

<sup>4</sup> Not printed.

<sup>5</sup> BULLETIN of Aug. 25, 1946, p. 380.

Agency proposed a solution of the Palestine problem by means of the creation of a viable Jewish state in control of its own immigration and economic policies in an adequate area of Palestine instead of in the whole of Palestine. It proposed furthermore the immediate issuance of certificates for 100,000 Jewish immigrants. This proposal<sup>1</sup> received wide-spread attention in the United States, both in the press and in public forums. From the discussion which has ensued it is my belief that a solution along these lines would command the support of public opinion in the United States. I cannot believe that the gap between the proposals which have been put forward is too great to be bridged by men of reason and good-will. To such a solution our Government could give its support.

In the light of the situation which has now developed I wish to state my views as succinctly as possible:

1. In view of the fact that winter will come on before the Conference can be resumed I believe and urge that substantial immigration into Palestine cannot await a solution to the Palestine prob-

lem and that it should begin at once. Preparations for this movement have already been made by this Government and it is ready to lend its immediate assistance.

2. I state again, as I have on previous occasions, that the immigration laws of other countries, including the United States, should be liberalized with a view to the admission of displaced persons. I am prepared to make such a recommendation to the Congress and to continue as energetically as possible collaboration with other countries on the whole problem of displaced persons.

3. Furthermore, should a workable solution for Palestine be devised, I would be willing to recommend to the Congress a plan for economic assistance for the development of that country.

In the light of the terrible ordeal which the Jewish people of Europe endured during the recent war and the crisis now existing, I cannot believe that a program of immediate action along the lines suggested above could not be worked out with the cooperation of all people concerned. The administration will continue to do everything it can to this end.

## U. S. Policy in Korea

### STATEMENT BY ACTING SECRETARY ACHESON

[Released to the press October 1]

At his press conference on October 1 the Acting Secretary of State was asked if the United States intended to allow the Russians to continue pursuing independently their own policy in north Korea without taking positive steps to fulfil the pronouncements at Cairo and Moscow to establish a provisional government for Korea under joint U.S.-U.S.S.R. supervision. He was further asked what steps this country advocates to break the deadlock now existing between the United States and U.S.S.R. administrators in Korea.

Mr. Acheson authorized for direct quotation the following answer:

"General Hodge has in the past months made a number of efforts to bring about a reconvention of the Joint Soviet-American Commission. His efforts have not so far proven successful. When we consider it opportune we may again approach the Russians in this matter. We have informed them that we are prepared to meet with the Com-

mission at any time they wish, and we hope that they may soon see the reason and good sense in continuing the discussions of the Commission. In the meantime, as I said in my statement of last August 30, it is essential that we proceed in south Korea with the solution of urgent social and economic problems along lines which embody the will of the Korean people.<sup>2</sup> Therefore we desire to establish cooperation between all political parties and a Korean legislative body, to express Korean views and aspirations, and to provide Korean leadership.

"At the time I made this statement I emphasized two main points. One is that we are prepared at any time that the Soviet Government will do so, to resume the discussions of the Commission, the purpose of which is to bring about a unified Korea. The other is that we intend to remain in Korea and carry out our duties there until we have achieved the purpose of bringing into being a united, independent Korea.

"We must be patient and persevering in reaching a solution of this problem."

<sup>1</sup> Not printed.

<sup>2</sup> BULLETIN of Sept. 8, 1946, p. 462.

# A New Instrument of U. S. Foreign Policy

BY ASSISTANT SECRETARY BENTON<sup>1</sup>

MR. CHAIRMAN, LADIES AND GENTLEMEN: Geography, language differences, and political boundaries have never been barriers to the free flow of bacteria. Bacteria affect and strike the rich and the publishers, along with the poor and the readers. Illness, suffering, and death throughout history have been remarkably disrespectful of national sovereignty. They have not distinguished among the Argentines, the Portuguese, and the Greeks—or the nurses, the physicians, and the board of trustees.

Those who care for the stricken have always been leaders among world internationalists.

I am very happy, therefore, to attend this international dinner of the American Hospital Association. It is especially fitting at this time that your association should make this an international dinner and turn its attention outwards across national boundaries. Efforts of private groups, such as your association, to increase the flow of knowledge and skills across national frontiers contribute greatly to the kind of understanding we must have in this desperately troubled world. The role of the Government in promoting this understanding is primarily to stimulate and make easier the efforts of such private organizations as yours. Only secondarily, our Government's role is to do the necessary things that private organizations do not or cannot do.

Great doctors have always freely shared their ideas, their discoveries, and their skills. There has never been any national monopoly or national exploitation of medical knowledge. As a result, millions of people living in the world today have been given additional decades of life expectancy.

America has learned most of what she knows from other countries in medicine, as in other sciences. There is no one nation which can claim even a large proportion of the great medical discoveries. But America through its citizens has been a leader in furthering international cooperation in medicine and in public health.

Even a hundred years ago the American idea of the importance of health spread with almost every American settlement abroad. My own grandmother in the 1840's married a missionary and went

to Syria for 33 years. Before leaving she took a not-too-long course in alleged nursing, and later, because there were no trained doctors or nurses in her area in Syria, she achieved local fame as a rare medical wizard—at least, so the family legend goes.

Today our medical and other scientific and technical experts are in demand on all continents.

During the 13 months I have been associated with the Department of State, I have had the privilege of serving as chairman of a unique governmental body known as the Interdepartmental Committee on Scientific and Cultural Cooperation. This Committee coordinates the international activities of 12 Government agencies, representing 42 separate bureaus. It is through this Committee that Government projects of scientific and cultural cooperation abroad are integrated with United States foreign policy. It is through this Committee, for example, that a project of the Public Health Service for training nurses in Liberia would be cleared with the State Department, or through which a request from the Liberian Government, say for a malaria survey, would be passed on to the Public Health Service.

This Interdepartmental Committee is part of the mechanism through which we conduct the Government's over-all program of international information and cultural affairs.

Our foreign information program is a blood brother, though an entirely separate unit. Through the State Department's Office of International Information and Cultural Affairs we keep information about the United States flowing to foreign countries through the powerful new communications instruments of our age—the press, motion picture, and the radio. But it is through our programs of scientific and cultural cooperation—and in that rather vague phrase I include the exchange of students, professors, technicians, and specialists, and the extension of medical, scientific, and technical assistance—that we may per-

<sup>1</sup>An address delivered at the International Dinner of the American Hospital Association in Philadelphia, Pa. on Oct. 1 and released to the press on the same date.

haps make the greatest impact in the long run, if Congress authorizes a program of sufficient scope.

Information alone is a powerful weapon; it can sway people and it can even "sell" them a point of view. However, for true understanding actual experience is essential. Many people learn better by doing than by talking and by listening. In order to build friendship for the United States, we need to supplement the word with living people who can interpret, demonstrate, and work along with people of other nations in their local towns and villages. And we must get to know the students, professors, and scientists of other countries. We must thus suit the action to the word, the word to the action.

Premier Stalin gave the world some interesting words last week. Many are wondering what comfort to take from them. Many are wondering what action will accompany these words.

There was one phrase in Stalin's statement that was easy to miss, overshadowed as it was by immediate political questions. But this line was especially interesting to me, and may prove potentially important for the State Department's program of cultural relations.

Alexander Werth, a British correspondent, asked Generalissimo Stalin what in his opinion could help in the establishment of friendly relations between the Soviet Union and Great Britain, a condition, he said, eagerly desired by the broad masses of English people. Here was Stalin's reply: "I really believe in the possibility of friendly relations between the Soviet Union and Great Britain. Establishment of such relations would be appreciably helped by strengthening political, trade, and *cultural relations* between these countries" [*italics Mr. Benton's*].

I am greatly encouraged that Premier Stalin goes on record that he desires to strengthen cultural relations with Great Britain. And my hope is that implicit in his statement there is the idea that he wants to strengthen cultural relations with the United States. The State Department advocates a program of exchange of students, professors, technicians, and specialists with the Soviet Union. We have been informed, however, that the physical conditions of life in the Soviet Union, and the present lack of facilities, make it difficult for the Soviet Union to provide for the welfare of American students, professors, technicians, and specialists.

Perhaps we now have reason to hope for faster progress towards the goal we advocate. That hope is strengthened by news reports from Moscow that the universities of Moscow, Leningrad, and other cities have been thrown open to students from Bulgaria, Czechoslovakia, and Yugoslavia. The press reports that 16 Bulgarian students already have arrived, and that Czech and Yugoslav students are expected to arrive soon. Thus I very much hope that we may be able soon to persuade the Soviet Government to extend to American students the same facilities which are now beginning to be provided for foreign students from the Soviet Union's Slavic neighbors.

While these seemingly encouraging developments are occurring in the Soviet Union, our informational and cultural program, as you must have read in the papers, has suffered an apparent setback at the hands of Marshal Tito in Yugoslavia. As you know, the library and reading-room of the United States Information Service in Belgrade, and the cultural activities carried on by our Embassy, have been temporarily closed down at the request of the Yugoslav Government. We have not yet accepted this as a final answer by the Yugoslav Government, and negotiations are now in progress. Incidentally, it is interesting that the Yugoslav Government seems to be restricting our information and cultural relations with Yugoslavia at a time when Marshal Stalin has at least indicated his willingness to promote cultural relations with Great Britain, and I hope with the United States.

I don't like the phrase *cultural relations* to describe the important program of the State Department which is covered by this phrase. This program is an important instrument of foreign policy. The phrase seems to be about the best name that we can find for it. The phrase *cultural relations* in French more accurately describes our program than the connotation of the phrase *cultural relations* in English. I think that is because the French, being realists, long ago realized more fully than we in Britain and America the important relation between the spread of a culture and political fact. The French have never scorned cultural relations, whereas many Americans have tended to think of cultural relations merely in terms of art exhibits, choral societies, and the like. But we in America are learning that the promotion of cultural relations between peoples, in their broad and

all-inclusive sense, is at the heart of the problem of political relations.

Let me give you some examples of the practical projects that the rather ambiguous term *cultural relations* includes.

Since 1939 we have had an interesting experimental laboratory for cultural relations with Latin America. Nelson Rockefeller, as coordinator of cultural relations with Latin America, promoted scores and indeed hundreds of projects financed jointly by the United States and Latin American republics. These projects were undertaken primarily to cement hemisphere solidarity, immediately before and during the war. Nevertheless, their peacetime value has never been underrated. I shall describe a few of them.

Picking almost at random a few examples, I might cite the two cooperative radiosonde stations, in Mexico and in Cuba, where scientific instruments are sent up into the stratosphere in balloons to secure data on the air currents which affect the weather not only in Mexico and Cuba but all through our South, Middlewest, and east coast as well. These data are of great value to our aviation and our shipping, as well as to our farmers.

Another important cooperative project has been our rubber experimental station in Colombia. Only a few months ago at one of our jointly operated stations, a new type of blight-resistant rubber was developed which is suitable for small plantings as well as for large plantations. This discovery has vast implications for Colombia. It is also useful to us. Among other things, it can give us a supply of much-needed raw material just a short distance away, in this hemisphere.

Many other agricultural projects of a similar nature have been undertaken. An evidence that these projects are in fact cooperative is that cooperating countries spend over \$3 for every \$1 spent by the United States Government.

Public-health projects have included the building of several American hospitals, to serve as models. The hospital in Peru, for example, offers a clinic and a visiting-nurse service and is a center of health information for the entire country. It is now run by a Peruvian staff, with the help of two American doctors and four American nurses.

In 18 countries American physicians, engineers, and nurses joined forces with their Latin American counterparts to set up cooperative public-

health projects. These projects are now being taken over by local governments.

The Office of Inter-American Affairs, under Mr. Rockefeller, also set up demonstration water-supply systems; translated and distributed medical books and pamphlets; distributed films and circulated exhibits. Help was given in setting up departments of vital statistics in several countries. These and similar programs are reducing the death rate substantially in Latin America, where, before the war, it was almost twice as high as in this country.

In addition, in Latin America, the Government has set up "cultural institutes" which function as libraries and as schools in United States life and customs. Also, since 1939 we have brought up to the United States for study and investigation about 800 students and 500 professors and specialists from the other American republics, and we have sent south 40 American students and 200 professors and specialists.

I would like very much to be able to tell you about similar projects in other parts of the world. But that I cannot do because the State Department's program of cultural and scientific cooperation is in effect only in Latin America. Under wartime authority the Department has carried out some few projects of technical and scientific assistance in other parts of the world, notably in China and the Middle East, but legislation authorizes this kind of activity in peacetime only for the countries of Latin America.

The State Department does have the authority to carry on our world-wide information program; we maintain information staffs and libraries all over the world, and we can carry on radio broadcasts and send to all missions abroad our documentary films. It is only our scientific and cultural program that is restricted to Latin America.

Authority for expanding this program to the rest of the world was contained in a bill introduced in the last session of Congress. The bill, H. R. 4982, won the unanimous support of the House Committee on Foreign Affairs and passed the House with a large majority. It was also approved by the Senate Committee on Foreign Relations but failed to come to a final vote in the Senate on the last day of the session because of the pressure of other legislation.

A similar bill will be introduced when Congress reconvenes next January, and it will need the ac-

tive support of all those who believe in this new approach to foreign relations.

The Bloom bill did not become law in the last session of Congress, but the Fulbright bill did. This law makes it possible for the United States to sell its surplus properties abroad for currency or credits which can be used for such things as the study of American students abroad, or the sending of American visiting professors to lecture, to teach, or to do research in a foreign university. These funds can also be used to pay the transportation of foreign students and professors to the United States.

I cannot at this time give you many details about this program, but it is potentially a very important facet of our larger cultural-relations program.

There are some skeptics who still may wonder why the United States should carry on scientific, technical and cultural projects in foreign countries in time of peace. Anyone can justify such projects in wartime on grounds of military necessity. But the skeptics wonder why money should be spent in this manner from now on.

In my opinion these projects are more than ever necessary now.

In the first place, by helping other people to improve their health and way of life we create conditions favorable to the development of freedom and democracy, and this is the surest and most direct way to work against war. By lending technicians and specialists we help to raise living standards in countries where technology has not been developed as rapidly as in the United States. By advising on agricultural techniques, by improving nutritional standards, by reducing disease, we are attacking low living standards at their source. By advising on electric-power development, mining techniques, and transportation we are creating the means by which other peoples can better help themselves.

In the second place, even from a purely selfish, national point of view, investment of technical skill abroad pays high dividends. When living standards are raised abroad, a greater flow of trade with the United States is automatically promoted. Other countries can buy our automobiles and refrigerators only if we help increase their efficiency and thus their prosperity by sharing our technical and scientific skills with them.

Finally, by sharing our skills we build up a true understanding of America, the kind of un-

derstanding that promotes good neighbors in times of peace and firm friends in times of crisis. In working with us, the peoples of other countries learn about us as a people—our attitudes, our objectives, our national character and way of life. They come to know our democratic Government, our legal procedures, and our respect for individual liberty.

By way of illustration, I would like to tell you of some of the projects we had in mind *if* the bill "to promote the interchange of persons, knowledge and skills" had finally passed. It isn't easy to cite specific examples because we live in a fast-changing world where needs are not static.

Projects for Europe would involve chiefly the exchange of students, professors, specialists, and technicians. European countries desperately need our help in training new professors and technicians, in filling the gaps in their knowledge left by the intellectual and scientific blackout of the war years.

Europeans are today avidly interested in the latest American developments in aviation, refrigeration (about which they know very little), medicine, and hundreds of other technical and scientific fields where progress has been greatest in recent years. European students and technicians want to come to this country to study recent developments, and they also want all the information we can send to them abroad. Europe, too, has made progress of which we should be informed.

Medical information has been one of the subjects of greatest interest. One large American exhibit on public health has toured all over Europe. When shown in Moscow, along with a display of 300 medical and scientific books, over 250 medical experts attended in the first three days.

The Government of India is at present seeking in this country experts in fruit growing, dairying, soil conservation, and fishing. It is also seeking a sanitary engineer and a director of veterinary service.

In China there is a great need for experts in public administration to aid in setting up local representative government units. The Chinese seem eager to benefit by American experience in self-government.

Reforestation is an urgent need in China, as is animal breeding, crop improvement, flood and ero-

sion control. Help is needed in creating industries of all kinds. About 200 young Chinese now want to come to this country to study in our mills and factories. Public health and sanitation, law, and business administration are other fields where opportunities in China are limitless.

Ceylon is now requesting the Bureau of Reclamation in Washington to examine designs for various proposed irrigation projects.

These are the types of cooperative cultural and technical programs the State Department had contemplated for this current year and which we hope to be able to carry through just as soon as Congress provides the necessary authorization. Though potentially enormous in their effect, their cost is relatively small. All projects must be cooperative, and we shall never embark on them unless other governments are working with us and underwriting costs with us.

Many other governments, before the war, recognized the need for spending money on such cultural and scientific cooperation. We are a late-comer in this field. The overt operation of cultural exchanges started with France back in the 1870's. The Russians over the last 20 years have been alive to the influence of cultural exchanges. The State Department has no accurate information on the extent of the Russian program. Great Britain, a late-comer too, set up what is known as the British Council in 1935 to promote knowledge of British thought and way of life.

I believe it might be said that the only unique part of our proposed program in the United States is its emphasis upon *cooperative* projects of a scientific and technical nature.

Until we made a beginning in Latin America in 1939, the United States had no program in this field. American jazz and motion pictures had been our two great so-called "cultural" exports. In Damascus I remember some years ago visiting three night clubs in an attempt to find some Arab music and dancing. All I could find were three German bands, all playing very bad and old American jazz.

But the time has gone when we as a nation can afford to be indifferent to our scientific, educational, and cultural exports. If there is any hope for the world, it is that the *peoples* of the world, all of whom want peace, will understand each other and will be willing to tolerate differences because they understand them.

One way to true understanding between people is through the actual process of helping each other.

I can assure you that it is not easy to create in this country the kind of public understanding of this problem that results in congressional acts and appropriations. The function of cultural, scientific, and technical cooperation as an indispensable adjunct to foreign policy is too new in this country to be widely understood. But when I consider how far we have come since 1939 I am greatly encouraged. Up until 1939, the foreign relations of this Government were carried on almost wholly through governments speaking to governments via diplomatic notes and conversations. The pattern hadn't changed appreciably in the more than a century and a half of our existence as a nation. The organization and procedures of the State Department were substantially the same as those of the days of Jefferson.

The major aim of the foreign policy of the United States is to promote peace, and today—1946—we know that, since wars begin in the minds of men, the defenses of peace must be constructed in the minds of men, through dispelling ignorance, suspicion, fear, through bringing peoples of all nations together at the working level, and by letting them get to know each other by helping each other.

We are therefore now altering our State Department organization and procedures.

We already have about twice as many people in the Department working on an informational and cultural program than the entire staff of the Department in 1939. Moreover, the Department has taken the lead in the organization of the United Nations Educational, Scientific and Cultural Organization, which will seek, at the international level, to encourage peoples to speak to peoples across national boundaries. The Department is playing and will continue to play a large role in the work of this organization—known, by its initials, as UNESCO.

But the need is infinite. And we have a long way to go before this new instrument of United States foreign policy will be operating on the scale that will be necessary if the chief aim of the United States foreign policy is to be achieved. That aim is peace, and that aim can only be achieved by understanding.

## Further Protest to Yugoslavia Against Disregard For Allied Military Regulations in Zone A

[Released to the press September 30]

*Text of a note from Acting Secretary Clayton, delivered to Sava N. Kosanovic, Ambassador of the Federal People's Republic of Yugoslavia in Washington, on September 27, 1946*

The Acting Secretary of State presents his compliments to the Ambassador of the Federal Peoples Republic of Yugoslavia, and has the honor to inform His Excellency that a full report has now been received from the American military authorities in Venezia Giulia regarding the arrest of six Yugoslav soldiers and the alleged detention of Captain Segota and his escort at Trieste on September 9, 1946, as set out in His Excellency's note Pov. Br. 1326 of September 16, 1946.

This report confirms that six soldiers from the Yugoslav Train Detachment, used for guarding UNRRA supplies, were arrested by American Military Police at 3:25 a.m. on September 9 at a point in Trieste near which a large explosion had just occurred.

These soldiers were searched and found to be carrying hand grenades concealed in their clothing, contrary to standing instructions that UNRRA guards were not to be armed, and were therefore handed over to custody of the Venezia Giulia Civil Police. Further investigation showed that the Yugoslav soldiers were apparently not connected with the large explosion, near the scene of which they had been arrested, and they were therefore escorted to Headquarters of the Yugoslav Detachment on September 11, with instructions that they be sent out of Zone A for violation of the standing orders against carrying weapons.

The Government of the Federal Peoples Republic of Yugoslavia must have been aware, at the time its protest was addressed to this Government, that the six Yugoslav soldiers had been released to the Yugoslav military authorities in Zone A, despite their violation of Allied military orders, and this Government is therefore unable to see any basis for a Yugoslav protest in this case. Instead, it appears that this Government must protest once again the disregard shown by officers and men of the Yugoslav Detachment in Zone A for Allied military regulations in that area.

As regards the alleged arrest of Captain Segota and his escort, the Acting Secretary is pleased to inform His Excellency that as a result of Captain Segota's protest to XIII Corps Headquarters, the Commanding General, 88 Division, United States Army, appointed a Board of Officers to investigate the incident. This Board of Officers has ascertained that Captain Segota, accompanied by four Yugoslav soldiers, arrived at the American Military Police Station in Trieste at about 4:00 a.m. September 9 to demand the release of the six Yugoslav soldiers who had been arrested. He was informed at once that the six soldiers were in custody of the Venezia Giulia Civil Police. In the ensuing discussion, made difficult by the lack of a common language and the absence of an interpreter, the American Desk Sergeant, who was alone in the room at the time of Captain Segota's arrival, became apprehensive when the attitude of Captain Segota became menacing and the latter's escort surrounded the Desk Sergeant. He therefore drew his pistol and held the group under guard while he telephoned for the American Provost Marshal of Trieste. Meanwhile, the Desk Sergeant called other Military Police sleeping in an adjoining room, and with their assistance Captain Segota and his escort were searched and their documents checked. The Provost Marshal arrived at about this time, and after further discussion informed Captain Segota that the six soldiers could not be released but that he and his escort were of course free to leave at any time they wished.

In its findings, the Board of Officers held that disrespectful remarks or profane language had not been used against the Yugoslav military personnel, and that certain statements quoted by both Americans and Yugoslavs could not have been known positively because of the language barrier. The Board also held that under normal conditions the acts of the American Military Police would have been improper, but that against the background of the wounding of seven of their number by a hand grenade explosion on the previous day and the discovery during the preceding hour that Yugoslav soldiers in Trieste were illegally armed with hand grenades, and in the light of the Desk

Sergeant's apprehensions over the suspicious behavior of Captain Segota's escort and the inability of the two groups to understand one another, the detention under armed guard of the Yugoslav group until the arrival of a superior officer was justified. The Board recommended that no disciplinary action be taken, and that constant instructions be given to Military Police to be firm but fair in all of their dealings in an endeavor to avoid similar incidents in the future. The findings and recommendations of the Board of Officers have the full support of this Government, which is confident that if Yugoslav military personnel in Zone A will evince an attitude of loyal cooperation towards their Allied comrades in arms in Venezia Giulia they will meet with a most full and friendly response on the part of American military personnel.

At the same time, this Government desires the Yugoslav Government to know that it resents the charges that Allied military authorities took no steps in this matter and that they inspired a "fascist" press to give a "false" account of the incident, and that it rejects these charges as mischievous propaganda without any foundation in fact.

## **Discussion of Double Taxation Treaties With Belgium and Luxembourg**

[Released to the press October 4]

The Department of State announced on October 4 that draft conventions have been formulated for the avoidance of double taxation with respect to income taxes in discussions between a United States tax delegation and representatives respectively of the Governments of Belgium and Luxembourg.

These drafts have been submitted by the negotiators to their respective governments for further consideration with a view to signature.

Agreement upon the drafts with Belgium and Luxembourg completes the discussions of the United States tax delegation which has recently visited the Netherlands, Belgium, and Luxembourg for the purpose of exploring possible bases for conventions with those countries for the avoidance of double taxation.

Completion of a similar draft convention on the avoidance of double taxation with the Netherlands was announced by the Department on September 30, 1946.

"Avoidance of double taxation" treaties on income taxes are now in effect with Sweden, France, Canada, and the United Kingdom.

It is expected that a new convention with France modifying the convention of 1939 will be signed in the near future.

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### **Leprosy Conference—Continued from page 664**

(Leonard Wood Memorial), and various other private organizations have been asked to send representatives.

The United States Delegation is expected to include representatives of the United States Public Health Service and the American Leprosy Foundation.

The three principal topics which will be discussed at the conference are: (1) classification of leprosy; (2) epidemiology of leprosy; and (3) therapeutics in leprosy. Many South American experts disagree with the classification adopted at the Cairo conference in 1938, and recommendations for changes are expected to emerge from the Rio de Janeiro conference. Agreement on classification being fundamental to all studies of the disease, scientific workers should have a common understanding regarding terms that are used to designate the various types of the disease. Studies on epidemiology of the disease, and especially those relating to its relative prevalence under various environmental conditions, are of great importance. While the cause of leprosy is considered to be Hansen's bacillus and although the disease is exclusively human, the mode of transmission from sick to healthy persons is unknown. Transmission by some insect is still regarded as a possibility. Also, many consider that a defect in diet may lower natural resistance to the disease.

In the field of therapeutics, much of the discussion will center around the treatment of the disease with promin and diasone. Both are drugs of the sulfone group which have been synthesized in the United States. Favorable results have been reported from the leprosy institutions at Chacachacare, Trinidad, and at Carville, Louisiana.

## Conclusion of Agreement Providing for Operation of Ocean Weather Stations in North Atlantic

The Department of State announced on October 3 the conclusion of an agreement among North Atlantic countries to provide for the establishment and operation of 13 ocean weather stations along the air routes across the North Atlantic. The agreement, signed in London on September 26, will become effective upon acceptance by the nine signatory governments.<sup>1</sup>

The United States Delegation to the London conference was comprised of representatives from the United States Coast Guard, United States Weather Bureau, Civil Aeronautics Administration, War and Navy Departments, and Bureau of the Budget, with a representative from the Department of State as the chairman of the United States Delegation. The Delegation was unanimous in urging that this Government sign the agreement.

The ocean weather stations are imperative for the safe and efficient operation of trans-Atlantic flights. Their provision has been an increasingly difficult problem since the withdrawal of stations provided by the United States military services and which served the heavy trans-Atlantic military traffic during the war. Designed for the observing and reporting of important weather data on the high seas, the ocean weather stations will provide needed navigational aids through radio beacons and other aeronautical equipment, and will also be able to assist in search and rescue operations in any emergency.

The Conference on North Atlantic Ocean Stations was called in London under the auspices of the Provisional International Civil Aviation Organization (PICAO) and convened September 17, 1946. Governments represented at the conference included Belgium, Canada, Denmark, France, Iceland, Ireland, the Netherlands, Norway, Portugal, Spain, Sweden, the United Kingdom, and the United States of America. Although the Governments of Denmark, Iceland, Portugal, and Spain will not assist in the establishment of the ocean weather stations at this time, and hence did not sign the London agreement, provision is made in the agreement for the payment of cash contributions through the PICAO

<sup>1</sup>For text of the agreement see Department of State press release 697.

Interim Council should these Governments actively utilize the services provided by the stations.

The formula used as a guide in determining which governments should contribute for the provision and upkeep of the stations was based on the frequency of trans-Atlantic crossings expected to be flown by the airlines of the states involved. This formula was modified somewhat in order that the principle of contribution in kind rather than in cash could be followed as closely as possible.

The United States, which is expected to operate between 65 and 75 percent of total trans-Atlantic crossings through 1948, will provide and maintain seven of the ocean weather stations. In addition, the United States will operate one station in cooperation with Canada, who has agreed to share half the costs of this station. This Government thus will provide 58 percent of the total weather-station program planned for the North Atlantic Ocean. The United Kingdom will operate two of the stations and will share in the operation of a third with Norway and Sweden. France will be responsible for one station, and Belgium and the Netherlands will share in the operation of the thirteenth station. Ireland has agreed to contribute 5,000 pounds annually for the upkeep of the 13 stations.

The stations for which the United States will be responsible will be operated by the U.S. Coast Guard. By the first of November, the Coast Guard expects to have four of the stations in operation. Each of the stations will have complete weather-reporting equipment which will be operated by personnel of the U.S. Weather Bureau.

The agreement has received enthusiastic endorsement by responsible aviation officials in this Government as well as by the Commandant of the Coast Guard and the Chief of the Weather Bureau, the two agencies responsible for the operation of the ships to be used for the ocean weather stations. The weather data to be collected and disseminated every three hours daily by the stations will be useful not only to aviation and maritime interests but also to industry and agriculture generally, in as much as the data will be important to long-range weather forecasting.

The United States Delegation was as follows:

*Delegate:*

J. Paul Barringer, Assistant Chief, Aviation Division,  
Department of State

*Alternate Delegates:*

Delbert M. Little, Assistant Chief, U.S. Weather Bureau, Department of Commerce

Laurence S. Kuter, Maj. Gen., U.S.A., U.S. Representative to Interim Council of PICAQ

*Advisers:*

Paul T. David, Assistant Chief, Fiscal Division, Bureau of the Budget

Garrett V. Graves, Commander, U.S.C.G., Chief, Aerology and Oceanography Section, Office of Operations, Headquarters, U.S. Coast Guard

Norman R. Hagen, Meteorological Attaché, U.S. Embassy, London, England

*Advisers—Continued*

Robert F. Hickey, Captain, U.S. Navy, London, England

Paul M. Hnber, Major, U.S.A., Headquarters, Air Weather Service, Army Air Forces

Chris M. Lample, Chief, Air Navigation Facilities Service, Civil Aeronautics Administration

Harold G. Moore, Captain, U.S.C.G., Coordinator for International Affairs, Headquarters, U.S. Coast Guard

Charles I. Stanton, Deputy Administrator, Civil Aeronautics Administration

## Peace: A Challenge to American Leadership

BY ASSISTANT SECRETARY HILLDRING<sup>1</sup>

Today we are faced with the necessity of making peace. Making peace is a complicated business, far more complicated than waging war. I have no doubt that we will win the peace, a good peace and a lasting peace, provided the people of the United States understand the part they must play in solving this problem. It is on this issue that I wish to speak to you today.

We fought World War I to preserve democracy, and we won most of the *battles* in that war. More importantly we won the *final battles* that brought about an armistice and a set of peace treaties dictated by the Allied powers. But did we really win World War I? In 1918, in 1928 — even in 1938 — most Americans would have answered that question in the affirmative.

It isn't necessary for me to recite all the events between the wars that clearly indicate that thinking Americans honestly believed that by winning the battles of World War I the Allied nations had protected and made secure their democratic institutions.

I will merely mention a few of the milestones that served as gauges of the American attitude of those days. For one thing, we declined to participate in the League of Nations. But worse than that we engaged in one of the most disastrous intellectual retreats of modern times—a retreat to rock-ribbed isolation behind our two oceans. So impregnable was this position and so great was the sense of well-being in the American mind that it was incapable of comprehending the obvious meaning of German rearmament, of the brutal conquest of Abyssinia, of the invasion of Manchuria—even

of the threat of Fascist and Nazi ideologies. What I am trying to say is that most thinking Americans—yes, even most leaders of American thought—sat tranquilly in their ivory towers while the foundations of our civilization were being—I was going to say whittled away; rather, I should say, were being blasted away from under us.

But let's get back to the question. Did we really win World War I? If we fought the war in order to win battles, the answer is yes. But if we engaged in that war to make democracy secure, and I think that's why we fought, then I believe history has clearly demonstrated that we did not achieve by the lavish expenditure of our manhood and our treasure the objectives for which we waged the war.

And so along came World War II. By a spontaneous and Herculean effort on our part and by the miraculous resistance of our Allies, notably England and the Soviet Union, we have again won all of the battles. All fighting ceased over a year ago. But very regretfully I am forced to express the opinion that we have not as yet achieved any of the main objectives for which we fought World War II. *The war has not been won.*

That, my friends, is just where we find ourselves on this delightful September afternoon in 1946. The eradication of Fascism, the elimination of intolerance, the establishment of an enduring peace, these are the objectives for which we fought, and this is the part of the conflict which must be

<sup>1</sup>An address delivered before the American Legion Convention in San Francisco, Calif., on Sept. 30 and released to the press on the same date.

won, if it is won at all, by the people themselves under intelligent and forceful civilian leadership.

*It is the battle for peace.* So far as the United States is concerned the soldiery for this battle is all the men and all the women of America.

You will be, or at least you should be, the leaders of our people in this great struggle.

“What exactly”, you ask, “should we do?”

Let me start by telling you what shouldn't be done. We will never accomplish our purpose by negative measures. This isn't something that can be done without positive effort and without some sacrifices, individually and collectively. Several weeks ago a distinguished American informed me that he agreed with me that the United States should be represented in Berlin by the best mind in his field of endeavor the country possessed. No, he personally couldn't accept the position. Unfortunately, he was heavily committed at home. Ten other distinguished Americans in the same field of activity have given expressions of the same high purpose as to the caliber of the man we should send to Berlin, and all ten of them have been equally regretful of their inability to go to Berlin. That is not the sort of approach to the solution of world problems that I advocate.

Neither do I advocate adherence to our pre-war philosophy of virtue and weakness. If we are to discharge our responsibilities of leadership in the international field, we must be strong as well as good.

As for positive steps, effective leadership of civilian opinion will require active and intelligent interest in world affairs. It will require the same intellectual curiosity that the American now possesses with regard to the public school system in his community, to the cost of living, to the kind of movies his children sees, to the public health, to the tariff, and to the many other facets of our purely domestic existence. He must acquaint himself with the facts of life in the world at large. He should know, for example, what the elements of the problems in Germany are today, what implications these problems have to the future peace of the world, and he should know these things in order that he may mobilize the opinion of his community behind his Washington officials when they are right, and in order that he may set these same officials right when in his judgment they are wrong.

In a sense we must revise our views as to what constitutes a good citizen. Heretofore, it has been

a generally accepted theory that an American is a good citizen if he is a useful member of his community, if he votes regularly, and if he maintains an interest in civic and national affairs. I would like to submit the thought that this standard for citizenship and for civic leadership is today outmoded. Whether we like it or not, we are now all citizens of the world, and if we want the United States to be a peaceful and prosperous land we must come to grips with the realization that our goal cannot be attained unless the rest of the world is also peaceful and has at least a minimum of economic stability and security.

You men of the Legion, for the most part, have planted your boots in the mud of nearly every country in the world.

You have had invaluable first-hand experience with our international obligations. You know pretty well the feelings and anxieties of the people you helped to liberate and of our Allies who helped us in World War II. These people without exception are looking to us today. They, like us, are beset by a multitude of problems. Better than any other class of our citizenry you understand that by helping them to solve their problems we will be making a most substantial and essential contribution to the solution of our own problems.

The foremost problems confronting us in connection with peacemaking, and in American foreign relations, are to be found today in the countries occupied by our military forces: Germany, Austria, Japan, and Korea.

The defeat of the enemy military forces by the Allied powers solved one problem, but created others. Victory on the field of battle set the stage for one of the greatest experiments the world has known. This country has undertaken the responsibility of sharing in the complex task of governing approximately 175,000,000 people.

Millions of Europeans and Asiatics are now under our control. In determining their future, we must somehow find, and we will find, a means of getting along with the other occupying powers with whom we share the responsibility for that control. To help you understand one facet of the problem, let me suggest that you magnify many times the clashing interests, the different points of view, and the motives revealed in your city council or State legislature, and you will begin to realize the complexities of the negotiations that must be undertaken before a common understand-

ng can be reached. After all, the differences reflected in a city council or State legislature are differences within one country, whereas the differences among the members of the Control Council in Berlin or Vienna are differences among four countries with respect to questions affecting the people of a fifth country.

No matter how difficult the task may be, we have undertaken the job of shaping the destinies of millions of persons along lines that we believe will be compatible with the future peace and prosperity of the world. The best thought, the ablest personnel, and the understanding and resources of this country are required to meet these responsibilities.

I have said that this country has undertaken the task of governing millions of people in Europe and in Asia. We share that responsibility with the Soviets, the British, and the French, and, as is only natural, their views and ours sometimes differ as to the methods that are to be followed in obtaining ultimate objectives. We had similar differences with our Allies in planning strategy and tactics during the war. We worked out those differences then. I am confident that with patience, reason, and persistence we can iron out our differences now.

There is no place in the world where the interests of the great powers are more sharply outlined than in Germany, Austria, Japan, and Korea. Basically, the United States wants to see these occupied countries demilitarized and democratized. I believe that our Allies share these views.

In Germany we are working to create a country that will no longer be a threat to peace, that will be able to contribute to the economic recovery of Europe, and that will develop conditions favorable for the growth of democratic institutions. In defeat, as in pre-war years, Germany remains the crossroads of Europe. Its transportation, its communications system, and its economy are essential to the prosperity of the continent of Europe. In order that Germany may effectively contribute to European economic recovery, it is our belief that Germany must be treated as one country and not as four countries. To that end, we have recently proceeded with the merger of the American and British zones of occupation. We hope to demonstrate the advantages to be derived from breaking down the artificial zonal barriers that have hitherto existed. It is our hope that the Russians and the French will soon merge

their zones with the American and British zones.

The Secretary of State, in his recent speech at Stuttgart, forcefully stated the direction toward which our policy will be aimed when the Foreign Ministers of the United States, Great Britain, Russia, and France meet later this year to consider the German question.

In the meantime, your Government is proceeding with the revision of the basic directive—J.C.S. Document 1067—to the American Commander in Germany. This directive guides the Commander of the United States Forces of the European Theater and lays down the policy which he will follow. The American position will be made clear not only in the Council of Foreign Ministers but also in the Allied Control Council in Berlin.

To turn now to the other major defeated country, Japan, we find that our objectives are generally the same as in Germany. We have been working to demilitarize Japan industrially as well as militarily. As in Germany, we are now embarking on a program to make Japan as self-sufficient as possible. The sooner Japan and Germany are able to pay their own way economically, the earlier the American Government can cease the appropriation of funds for use in those countries.

In Japan, our problems are somewhat simpler than they are in Germany, for we already have economic and internal political unity. There is an indigenous government in Japan, with jurisdiction over the whole country, with the result that the problem of exercising control over the Japanese is greatly simplified.

I do not wish to leave the impression that we have no problems in Japan. The task of eliminating certain industries and rehabilitating and stimulating others in the interest of creating a peaceful Japanese economy is a gigantic one.

With regard to Austria and Korea, our policy has called for a different approach from that with respect to Germany and Japan. We have treated Austria and Korea not as enemy countries but as liberated countries. With our Allies, we agreed that Austria should be a free, democratic, and independent country.

If the commitments of this country are to have any real meaning, we must make every effort to see that Austria is maintained as an independent and a united country in the heart of Europe. This

Government has a program of reconstruction for Austria that will provide financial and other assistance in order to aid the Austrians in developing their economy and in maintaining their political freedom.

As a result of the war, Korea has been liberated from Japanese rule. American policy calls for the establishment of a united, democratic, and independent Korea. As you may know, under the terms of the military occupation, northern Korea is held by the Soviet Army, while we administer the southern half of the country. We early sought to unite the two zones of Korea under a joint U.S.-Soviet commission. Unfortunately, that has been delayed owing to a difference of views between ourselves and our Russian colleagues.

I have cited only a few problems in only a few places, in an effort to indicate that high obstacles lie in the path to peace. These obstacles must be cleared or we must detour around them if we are to achieve peace. Peace will not fall in our lap; it must be worked for.

Success, to no small extent, depends upon the people of the United States. It is a challenge to American leadership that includes all Americans. The realization of this is not impossible, but it will take a lot of work, sacrifice, patience, and intelligence.

As I said before, it is the battle for peace. It is a cause in which the veteran has unique qualifications for leadership. It is the final battle of World War II.

## **U. S.-Argentine Negotiations on Air Transport Agreement Suspended**

[Released to the press October 11]

The United States and the Argentine Delegations suspended on October 1, for the time being, negotiations relating to the conclusion of an air-transport agreement between the two Governments.

The Argentines insisted upon provision for the division of air traffic between the two countries according to a prescribed formula and also on limiting the frequency of schedules and the capacity of services to be offered. The United States upheld the view that international air traffic should be covered by free and fair competition between the national airlines of the respective Governments, subject to the safeguards which are a

part of the bilateral agreements the United States has concluded with many other countries.

Suspension of these conferences is temporary, and does not affect the continuance of American air services now being furnished by Pan American Airways and Panagra to Argentina. At the close of the conference it was pointed out to the Argentine Delegates that despite the absence of an air-transport agreement the Civil Aeronautics Act provided a means for the inauguration of new services by a properly designated Argentine carrier upon principles of reciprocity of treatment. It is believed that the Argentine carrier, FAMA, will file an application for such a permit pursuant to the act. Similarly, an application will be filed for the United States carrier, Braniff, with the Argentine authorities for permission, pending further developments, to fly the route certificated to it in the recent Latin American decision by the Civil Aeronautics Board, with the approval of the President of the United States. No present changes, other than improved services, are contemplated on the routes now being flown by Pan American and Panagra.

In the view of the State Department and the Civil Aeronautics Board the discussions with the Argentine Delegation have proved helpful. Frank discussion was had on all aspects of air transportation, and agreement was reached on the general principle that the increase and improvement of air service between the United States and Argentina would redound to the mutual benefit of both countries. In the view of the United States representatives, however, full development of air transportation is not likely to be achieved until the type of arbitrary restrictions to which the United States is opposed is eliminated by international agreement.

## **Visit of Argentine Psychologist**

Dr. Horacio J. A. Rimoldi, Director of the Institute of Psychology and professor of biology of the University of Cuyo, Mendoza, Argentina, is visiting the United States at the invitation of the Department of State. He plans to spend a year at the University of Chicago in taking advanced training and research work in the psychometric laboratory. His special interest is in the field of psychological measurement and related subjects. The University of Chicago has issued a supplementary grant to facilitate this project.

# U.S. National Commission for the United Nations Educational, Scientific and Cultural Organization<sup>1</sup>

## TRANSMITTAL OF FINAL REPORT BY ASSISTANT SECRETARY BENTON TO THE SECRETARY OF STATE

*September 27, 1946.*

The Honorable

JAMES F. BYRNES,

*Secretary of State.*

SIR:

I am honored to transmit to you the final report of the United States National Commission for the United Nations Educational, Scientific and Cultural Organization. This report was adopted unanimously by the members of the National Commission at the end of the session terminating its four-day meeting in Washington, September 23 through September 26.

This report highlights the most important recommendations of the National Commission to the United States Government, for advocacy by the United States Delegation at the forthcoming General Conferences of UNESCO in Paris in November. In addition to this general summary, there are many other proposals of vital importance which were adopted by the Commission growing out of the specialized studies by its round tables on education, natural sciences, social services, creative arts, cultural institutions, humanities, and mass communications.

I think you will agree that the National Commission recommendations are bold and constructive. It is the opinion of the National Commission, according to its report, that "the responsibility of the United Nations Educational, Scientific and Cultural Organization in the present crisis is so great and so pressing that the Organization should not hesitate to employ any proper means, however novel or however costly, which give promise of success. The Organization is itself a new agency, daring in purpose and novel in structure. The means it employs should be appropriate to its nature. It must serve as the cutting edge for international action."

The Commission received with appreciation our message urging UNESCO to help clear away the barriers of suspicion and mistrust which divide

peoples. The Commission called upon President Truman who told them that the Commission could make the "greatest contribution in the history of the world to the welfare of the world as a whole, if it really goes at it in the spirit that is intended". He told the delegates he thought they were on the road to doing the job.

In my opening address to the Commission, I warned the members that their actions would be closely followed and often severely criticized, and that many demands would be made upon their time and energy. I dedicated the Commission to hard work.

I have attended many conferences, but I have never seen as sincere and hard working a group as this Commission proved to be this week. Many diverse viewpoints were represented, yet out of this diversity grew surprising unity. The Commission gives every promise of becoming, as you and I had hoped, the collective brain to the whole nervous system of American culture, science, education and means of communication.

In addition to the obligation imposed by Congress on the Commission, to advise the United States Government on its participation in UNESCO, there is a second role for its members of which they were deeply conscious. This is to act as liaison with the thousands of organizations in this country, and their millions of individual members, in carrying out the UNESCO program within the United States. Many of the members present and organizations represented are already proceeding energetically to fulfill this responsibility. For example, the General Federation of Women's Clubs proposes to devote the entire November issue of its magazine, which goes to three and a half million members, to the meeting of this National Commission and to the opportunities for achieving peace through understanding, for which UNESCO was created.

<sup>1</sup> Reprinted as Department of State publication 2635.

If UNESCO is to be in fact "the spearhead of the United Nations", as the Ambassador from France told the members of the Commission at its dinner, then this grass-roots activity, sponsored and promoted by the 100 members authorized for the National Commission, will help the American people achieve an understanding of the aims of the United Nations and its specialized agencies, and the aims of American Foreign policy.

You will be surprised, perhaps, as were the members of the Commission, at the statement by one of the members that a new Gallup Poll showed that more than 30 percent of the people of the United States do not know that the United States is a member of the United Nations. This illustrates both the domestic need for the National Commission and its opportunity.

Perhaps of greatest interest to the so-called practical men of the world, as well as to their political leaders, will be the attitude unanimously expressed by this group towards the proposed UNESCO budget. The Commission stated that even if the program were to cost a billion dollars or more annually, it would be "cheap insurance" against another war. I may say that no such budget was contemplated because the Commission is fully aware that it is impossible to develop a sufficient number of hard-headed projects, with sound administration and with reasonable hope of success, to warrant any such sum in the near future. However, General Sarnoff estimated for one of the round tables that it would cost \$250,000,000 to develop the worldwide communications system required by the United Nations, capable of laying down a strong and consistent radio signal, in all major areas of the world, comparable to the signal now received from a local radio station. General Sarnoff says that such a world system is today technically feasible. Such a worldwide radio network is one of the proposals unanimously endorsed by the National Commission.

The Commission elected the following as its officers:

CHAIRMAN:

Milton Eisenhower, President,  
Kansas State College of Agriculture and  
Applied Science,  
Manhattan, Kansas.

VICE CHAIRMEN:

Edward W. Barrett,  
Editorial Director, *Newsweek*,  
New York, New York.

Arthur H. Compton, Chancellor,  
Washington University,  
St. Louis, Missouri.

Waldo G. Leland,  
American Council of Learned Societies,  
Washington, D.C.

Outstanding in leadership and energy among the members present in Washington this week was Mr. Archibald MacLeish, who acted as Chairman of the Committee which drafted the attached report. Mr. MacLeish's long interest in UNESCO, and his contributions to the UNESCO Constitution when he acted as Chairman of the American Delegation in London last fall, are well known to you.

I may say that no experience I have had in my thirteen months in the State Department has moved me more deeply than the meeting this week of this new and unique organ created by Congress to advise the Department. As your representative at these meetings, I have been deeply stirred by the passionate desire of these distinguished private citizens to devote themselves to the same cause to which you are devoting yourself in Paris—the dispelling of the ignorance, mistrust and misunderstanding which is prevalent throughout the world today—and the substitution in their place of that moral and intellectual solidarity of mankind which is the goal of the UNESCO constitution.

Respectfully,

WILLIAM BENTON  
*Assistant Secretary*

**REPORT OF THE UNITED STATES NATIONAL COMMISSION  
FOR THE UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND  
CULTURAL ORGANIZATION TO THE SECRETARY OF STATE**

*To the Secretary of State*

SIR: The United States National Commission for the United Nations Educational, Scientific and Cultural Organization, organized by you in accordance with Section 3 of House Joint Resolution

305 of the 79th Congress (Public Law 565, 79th Congress, Chapter 700, 2d Session), met in Washington from September 23 to September 26, 1946, to advise the Government of the United States and the United States Delegation to the first General

Conference of the United Nations Educational, Scientific and Cultural Organization on matters relating to the Organization, and specifically on the position to be taken in the Organization by the United States Delegation.

The purpose of the Organization, as stated in its Constitution, is to contribute to peace and security by promoting collaboration among the nations through education, science and culture. The Organization is not conceived of, in other words, as an international undertaking to promote education and science and culture as ends in themselves, but rather, through education and science and culture, to advance the peace of the world.

In the opinion of the National Commission, the position to be taken by the American Delegation in the General Conference of the Organization should be determined by this purpose. The American Delegation should support those proposals for action by the Organization which give promise of advancing directly and significantly the cause of peace through understanding. The necessity of this labor grows clearer from day to day as the effects of misunderstanding and distrust and fear upon the conduct of international relations become increasingly evident. The recognition of the fundamental community of human interests which made possible the great collaborative effort of the war has diminished with time and change, and the possibility of common effort for peace and for security has diminished with it. To restore and make increasingly articulate the intellectual and moral solidarity of mankind—to identify and analyze existing obstacles to that solidarity and to develop action which will strengthen or create forces to overcome them—is the most immediate and the most urgent need of our time.

In the opinion of the National Commission, the responsibility of the United Nations Educational, Scientific and Cultural Organization in the present crisis is so great and so pressing that the Organization should not hesitate to employ any proper means, however novel or however costly, which give promise of success. The Organization is itself a new agency, daring in purpose and novel in structure. The means it employs should be appropriate to its nature. It must serve as the cutting edge of international action. If annual military expenditures of thirteen billion dollars for the defense of the people of the United States against attack are justified, ten percent of that amount,

and far more than ten percent, might well and wisely be expended to remove or greatly to reduce the danger of attack. It would be cheap insurance. In the first place, it is the consensus of military opinion that no adequate military defense against the weapons of modern warfare exists. In the second place, even if such measures were available, their cost in terms of life and suffering are so inestimably great that any action which would diminish the necessity for their use would be economical.

The budget of UNESCO cannot now be estimated. The National Commission believes, however, that a budget in the amount of a billion or a billion and a half dollars or even more might well be justified, if practicable and useful projects requiring such expenditures presented themselves. The National Commission pledges itself to support the Organization to the limits of its power so far as the contribution of the United States to the budget of UNESCO is concerned.

But though the American Delegation should be prepared to think and to act boldly and imaginatively in the General Conference of UNESCO, it should never forget, in the opinion of this Commission, that it represents a people deeply and firmly committed to certain fundamental propositions bearing upon the nature and destiny of man. It should hold unwaiveringly to the absolute requirement of freedom of thought and freedom of expression as the basic means of arriving at the world understanding which is the immediate as well as the ultimate objective of the Organization's labors.

The Commission has considered a large number of proposals for action by the new Organization as developed by a Preparatory Commission established in London by the Conference of the United Nations which drafted the Constitution of the new Organization in November, 1945. These proposals will be reviewed at the meeting of the General Conference of UNESCO. Accordingly, the National Commission has considered the report of the Preparatory Commission as a point of departure and has not hesitated to develop and to advance additional or different ideas of its own. The present report of the Commission does not undertake to list in full the recommendations adopted by the National Commission in the various fields of UNESCO's activity. Many of these, specific and detailed in character, are submitted to

you in a document supplemental to this report for such use as you may think wise to make of them. The Commission believes that these recommendations should be supported by the American Delegation in so far as they are not inconsistent with the general principles laid down in this report. The recommendations here listed are the recommendations to which the Commission attaches greatest over-all and present importance. They are, moreover, recommendations which, in the opinion of the Commission, best illustrate the character of the work UNESCO should undertake.

We have arranged our proposals in terms of the functions of the Organization as defined in the first Article of its Constitution. Fundamentally, the concern of the Organization is with the relations of men to each other. It approaches these relations in terms of three kinds of international collaboration. First, international collaboration for the *preservation* of men's knowledge of themselves, their world and each other; second, international collaboration for the *increase* of that knowledge through learning, science and the arts; third, international collaboration for the *dissemination* of that knowledge through education and through all the instruments of communication between the peoples of the earth in order that understanding may replace mistrust and suspicion and the fear which leads to war.

In the opinion of the Commission, the order of present urgency puts the third of these functions first. The Commission, therefore, recommends at this time only a limited number of projects in connection with the first and second activities of the Organization.

(1) *International Collaboration for the Preservation of Men's Knowledge of Themselves, Their World, and Each Other.*

Here the Commission recommends that the American Delegation advance and support proposals for action looking toward the rehabilitation of libraries, museums, scientific laboratories and educational institutions and other depositories of the materials and tools of art and learning. The Commission does not feel that it is appropriate for the Organization under its Constitution to attempt the work of reconstruction and rehabilitation itself. The Organization is, however, the only body which can properly direct a general study of needs and draft a plan of action.

(2) *International Collaboration for the Increase of Men's Knowledge of Themselves, Their World and Each Other Through Learning, Science and the Arts.*

Here the Commission feels that the American Delegation should advance and support proposals looking toward the development of conditions more favorable to the creative and investigative work of artists, scientists and scholars. Where agencies capable of improving these conditions in whole or in part already exist, the Organization should give its active support and encouragement to their undertakings and should attempt to facilitate their cooperation with each other. Furthermore, the Organization should encourage the establishment of new agencies of this character where they are needed but do not already exist.

The American Delegation should advance and support proposals for studies by the Organization of social and international tensions which create obstacles to international understanding and therefore to peace, and for action by the Organization to encourage the development of appropriate means for their elimination.

The American Delegation should advance and support proposals for the establishment of new scientific and scholarly projects for research in fields in which work can most effectively be undertaken on an international basis, as, for instance, research in meteorology, oceanography, international health, and the study of epidemic diseases.

(3) *International Collaboration for the Dissemination of Men's Knowledge of Themselves, Their World and Each Other through Education and through all the Instruments of Communication.*

The American Delegation should advance and support proposals for the establishment or the reestablishment of the means of international communication through education and through all other media where they are needed and where they are at present lacking.

The American Delegation should advance and support proposals for the establishment by the Organization, alone or in connection with the United Nations, of a world-wide radio network capable of laying down a strong and consistent signal in all major areas of the world.

The American Delegation should advance and

support proposals for the removal of obstacles to the free flow of information in accordance with the report of the Committee of Consultants to the Department of State on Mass Media and UNESCO. The Commission differs, however, with the Committee of Consultants in believing that the Organization should concern itself with the quality of international communication through the mass media and should give serious study to the means by which the mass media may be of more positive and creative service to the cause of international understanding and therefore of peace. The Organization should, of course, avoid at all times any act or suggestion of censorship.

The American Delegation should advance and support proposals for action to free the channels of international communication of obstacles created by discriminatory or unduly restrictive copyright legislation, discriminatory or unfair rates, or other similar practices or laws.

The American Delegation should advance and support proposals that the Organization concern itself with the press, radio and motion pictures, and all other means of publication, reproduction and dissemination of materials, as instruments at the service of art, education, culture and scientific advancement in the labor of international understanding, and with the protection of the peoples of the world against any misuse of these media which might result in their degradation and perversion to the point of fostering international ill-will and misunderstanding.

The American Delegation should advance and support proposals for the investigation by the Organization of methods of education for international understanding and for the development of attitudes conducive to peace. Such investigations should direct themselves to the processes by which nations organize and give practice, within their own boundaries, to their people in the arts of peaceful cooperation. They should be more than mere fact-finding investigations. They should be sociological studies of great scope and depth.

The American Delegation should advance and support proposals that the Organization call a conference in the year 1947 on the principles, policies and procedures to be followed in the preparation of textbooks and other teaching materials. This Conference should include in its membership

classroom teachers from all educational levels, school administrators, writers, publishers, and other experts in the production and use of instructional materials.

The American Delegation should advance and support proposals for the exchange of students, teachers, scholars, artists, artisans, scientists, government officials, and others, active in the various fields of the Organization's work.

The American Delegation should advance and support proposals looking to the increase and improvement of the access of the masses of the people throughout the world to printed and other materials of intellectual, informational and cultural significance. The Commission believes that the American Delegation should advance and support proposals for the development by the Organization of an effective system of international inter-library loan, in original or copy, together with the development of necessary international finding lists, and arrangements to avoid duplication in abstracting and bibliographical services.

The American Delegation should advance and support proposals for the encouragement of the establishment of popular library and museum systems in those areas of the world where such systems do not now exist.

## **Tax Treaty With the Netherlands**

[Released to the press September 30]

Representatives of the United States and representatives of the Netherlands have completed discussions in The Hague exploring the possible bases for conventions for avoidance of double taxation with respect to income taxes and estate taxes.

As a result of these discussions there has been drawn up a draft convention which deals with income taxes and contains provisions also with respect to certain extraordinary taxes in the Netherlands. The draft convention is being submitted by the representatives of the two countries to their respective Governments for further consideration with a view to signature.

The discussions on estate taxes have not been completed. It is expected that the matter will be given further consideration in the near future by the authorities of the two countries.

# Status of Civil Aviation Documents

FORMULATED AT CHICAGO, DECEMBER 7, 1944

Compiled as of October 2, 1946 by the Treaty Branch, Office of the Legal Adviser, Department of State

## Dates of Signatures

Country	Final Act	Interim Agreement	Convention	Transit Agreement (Two Freedoms)	Transport Agreement (Five Freedoms)
Afghanistan	X	X	X	X	X
Australia	X	X	X	7/4/45	
Belgium	X	4/9/45	4/9/45	4/9/45	
Bolivia	X	X	X	X	X
Brazil	X	5/29/45	5/29/45		
Canada	X	X	X	2/10/45	
Chile	X	X	X	X	
China	X	X	X		X
Colombia	X	5/24/45			
Costa Rica	X	3/10/45	3/10/45	3/10/45	3/10/45
Cuba	X	4/20/45	4/20/45	4/20/45	4/20/45
Czechoslovakia	X	4/18/45	4/18/45	4/18/45	
Dominican Republic	X	X	X		X
Ecuador	X	X	X	X	X
Egypt	X	X	X	X	
El Salvador	X	5/9/45	5/9/45	5/9/45	5/9/45
Ethiopia	X	3/22/45		3/22/45	3/22/45
France	X	X	X	X	
Greece	X	X	X	X	
Guatemala	X	1/30/45	1/30/45	1/30/45	1/30/45
Haiti	X	X	X	X	X
Honduras	X	X	X	X	X
Iceland	X	X	X	4/4/45	4/4/45
India	X	X	X	X	
Iran	X	X	X	X	8/13/46
Iraq	X	X	X	X	
Ireland	X	X	X		

Country	Final Act	Interim Agreement	Convention	Transit Agreement (Two Freedoms)	Transport Agreement (Five Freedoms)
Lebanon	X	X	X	X	X (1)
Liberia	X	X	X	X	X
Luxembourg	X	7/9/45	7/9/45	7/9/45	
Mexico	X	X	X	X	X
Netherlands	X	X	X	X	X (2)
New Zealand	X	X	X	X	
Nicaragua	X	X	X	X	X
Norway	X	1/30/45	1/30/45	1/30/45	
Panama	X	5/14/45			
Paraguay	X	7/27/45	7/27/45	7/27/45	7/27/45
Peru	X	X	X	X	X
Philippines	X	X	X	X	
Poland	X	X	X	X	
Portugal	X	X	X		
Spain	X	X	X	X	
Sweden	X	X	X	X	X
Switzerland	X	X	7/6/45	7/6/45	
Syria	X	X	X	7/6/45	7/6/45 (3)
Turkey	X	X	X	X	X (4)
Union of S. Africa	X	6/4/45	6/4/45	6/4/45	
United Kingdom	X	X	X	X (5)	
United States	X	X	X	X	X
Uruguay	X	X	X	X	X
Venezuela	X	X (6)		X (6)	X (6)
Yugoslavia	X				
Danish Minister	X	X	X	X	X
Thai Minister	X	X	X	X	X

X indicates signatures under date of Dec. 7, 1944.

The following reservations accompany the signatures:

(1) "Ad referendum concerning the fifth freedom enumerated in Art. I Section 1."

(2) "In accordance with the provisions of Art. IV Section 1 of this agreement the Netherlands Delegation hereby accept only the first four privileges in Art. I Section 1."

(Reservation relinquished by the Netherlands Sept. 21, 1945.)

(3) "In accordance with Art. IV section 1 of this agreement, Syria accepts only the first four privileges in Art. I section 1."

(4) "In accordance with the provisions of Art. IV section 1 of this agreement the Turkish dele-

gation hereby accept only the first four privileges in Art. I sect. 1 and leave the acceptance of the fifth privilege to the discretion of their government."

(5) "I declare that, failing later notification of inclusion, my signature to this Agreement does not cover Newfoundland."

(Reservation withdrawn by United Kingdom Feb. 7, 1945.)

(6) "La Delegación de Venezuela firma *ad referendum* y deja constancia de que la aprobación de este documento por su Gobierno está sujeta a las disposiciones constitucionales de los Estados Unidos de Venezuela."

(Interim, transit, and transport agreements accepted by Venezuela Mar. 28, 1946.)

## Subsequent Action Taken

Country	Interim Agreement (Date of Acceptance)	Convention (Date of Ratification or Adherence)	Transit Agreement (Date of Receipt of Note of Acceptance)	Transport Agreement (Date of Receipt of Note of Acceptance)
Afghanistan	5/16/45		5/17/45	5/17/45
Argentina	6/4/46	6/4/46 A	6/4/46	
Australia	5/19/45		8/28/45	
Belgium	4/17/45		7/19/45	
Bolivia	5/17/46			
Brazil	5/29/45	7/8/46		
Canada	12/30/44	2/13/46	2/10/45	
Chile	6/4/45			
China	6/6/45	2/20/46		6/6/45 (1)
Colombia	6/6/45			
Costa Rica				
Cuba				
Czechoslovakia	4/18/45		4/18/45	
Denmark	11/13/45			
Dominican Republic	1/25/46	1/25/46		1/25/46
Ecuador				
Egypt	4/26/45			
El Salvador	5/31/45		6/1/45	6/1/45
Ethiopia	3/22/45		3/22/45	3/22/45
France	6/5/45			
Greece	9/21/45		9/21/45	2/28/46 (2)
Guatemala				
Haiti	6/2/45			
Honduras	11/13/45		11/13/45	11/13/45
Iceland	6/4/45			
India	5/1/45 (3)		5/2/45 (3)	
Iran				
Iraq	6/4/45		6/15/45	
Ireland	4/27/45			
Lebanon	6/4/45			
Liberia	3/17/45		3/19/45	3/19/45
Luxembourg	7/9/45			
Mexico	5/22/45	6/25/46	6/25/46	
Netherlands	1/11/45		1/12/45	1/12/45 (4)
New Zealand	4/18/45 (5)		4/19/45 (5)	
Nicaragua	12/28/45	12/28/45	12/28/45	12/28/45
Norway	1/30/45		1/30/45	
Panama				
Paraguay	7/27/45	1/21/46	7/27/45	7/27/45
Peru	5/4/45	4/8/46		
Philippines	3/22/46		3/22/46 (6)	
Poland	4/6/45	4/6/45	4/6/45	
Portugal	5/29/45			
Spain	7/30/45		7/30/45	
Sweden	7/9/45		11/19/45	11/19/45
Switzerland	7/6/45		7/6/45	
Syria	7/6/45			
Turkey	6/6/45	12/20/45	6/6/45	6/6/45 (7)
Union of S. Africa	11/30/45		11/30/45	
United Kingdom	5/31/45 (8)		5/31/45 (8)	
United States	2/8/45	8/9/46	2/8/45 (9)	2/8/45 (9)
Uruguay				
Venezuela	3/28/46		3/28/46	3/28/46
Yugoslavia				
Thai Minister				

A indicates adherence.

Elected to first Interim Council.

\* Elected to first Interim Council by First Interim Assembly June 6, 1946.

The following reservations accompany the acceptances:

(1) "The acceptances are given with the understanding that the provisions of Article IV Section 3 of the International Air Transport Agree-

ment shall become operative in so far as the Government of China is concerned at such time as the Convention on International Civil Aviation . . . shall be ratified by the Government of China." (Chinese instrument of ratification of the Convention on International Civil Aviation deposited Feb. 20, 1946.)

(2) "In accepting this Agreement [transport] in accordance with Article VIII, paragraph two thereof, I am directed to make a reservation with respect to the rights and obligations contained in Article I, Section 1, paragraph (5) of the Agreement, which, under Article IV, Section 1, Greece does not wish, for the time being to grant or receive."

(3) "In signifying their acceptance of these agreements, [interim and transit] the Government of India . . . do not regard Denmark or Thailand as being parties thereto . . ." (Reservation respecting Denmark on interim agreement withdrawn by India July 18, 1946.)

(4) ". . . the signatures . . . affixed to the . . . International Air Transport Agreement (with reservation set forth in Article IV Section 1) constitute an acceptance . . . by the Netherlands Government and an obligation binding upon it." (Reservation relinquished by the Netherlands Sept. 21, 1945.)

(5) ". . . the New Zealand Government does not regard Denmark or Thailand as being parties to the Agreements mentioned [interim and transit] . . ." (Reservation respecting Denmark on interim agreement withdrawn by New Zealand Apr. 29, 1946.)

(6) "The above acceptance is based on the understanding . . . that the provisions of Article II, Section 2 of the International Air Services Transit Agreement shall become operative as to the Commonwealth of the Philippines at such time as the Convention on International Civil Aviation shall be ratified in accordance with the Constitution and laws of the Philippines."

(7) ". . . the reservation made by the Turkish Delegation on the fifth freedom of the air contained in the International Air Transport Agreement is explained in the following article of the law by which the aforementioned instruments have been ratified:

"The Turkish Government, when concluding bilateral agreements, shall have the authority to accept and apply for temporary periods the provision regarding the fifth freedom of the

air contained in the International Air Transport Agreement.'”

(8) “In signifying their acceptance of the said Agreement, [interim and transit] the Government of the United Kingdom . . . neither regard the Governments of Denmark and Siam as being parties thereto . . .” (Reservation respecting Denmark on interim agreement withdrawn by United Kingdom Mar. 30, 1946.)

(9) “These acceptances by the Government of the United States of America are given with the understanding that the provisions of Article II, Section 2, of the International Air Services Transit Agreement and the provisions of Article IV, Section 3, of the International Air Transport Agreement shall become operative as to the United States of America at such time as the Convention on International Civil Aviation . . . shall be ratified by the United States of America”. (The United States of America denounced the International Air Transport Agreement July 25, 1946; effective July 25, 1947. The United States of America deposited instrument of ratification of Convention on International Civil Aviation Aug. 9, 1946.)

## American Minister to Yemen Presents Credentials

[Released to the press October 4]

J. Rives Childs, first U.S. Minister to Yemen, informed the Department of State on October 4 that he presented his credentials to the Imam Yahya at San'a, capital of Yemen, on the morning of September 30. Minister Childs, who is also U.S. Minister to Saudi Arabia, was accompanied by Harlan B. Clark, Second Secretary of the U.S. Legation at Jidda.

Minister Childs and his party were welcomed by Qadhi Abdul Karim Mutahhar, Acting Foreign Minister, and escorted to the throne room where Minister Childs presented his letter of credence from President Truman and was warmly received by the Imam.

The Imam expressed a desire for American assistance in improving medical conditions in Yemen and has requested that the United States send a medical mission to San'a. The Government of Yemen is also interested in American assistance in developing transportation, irrigation, and agriculture.

Minister Childs and his party will leave San'a

on October 4 for a tour of the more important cities of southern Yemen en route to Aden and then to Jidda, where Minister Childs is permanently stationed.

## Request to Brazil for Coffee Imports

[Released to the press September 30]

The Department of State announced on September 30 that a note had been presented to the Brazilian Embassy requesting that the Government of Brazil place 500,000 bags of coffee on the market for United States importers to purchase during the month of October 1946.

The request was made in accordance with paragraph (4) of the “Memorandum of Understanding reached between the Governments of Brazil and the United States of America concerning coffee prices and supplies” dated August 14, 1946. This paragraph reads as follows:

“Should such action be necessary to assure an adequate flow of coffee under this arrangement, the Government of Brazil, upon the request of the Government of the United States, will place coffee on the market at the prices provided for in this arrangement up to a total of 3,000,000 bags. The Government of Brazil may be called upon to supply up to 500,000 bags of such coffee per month. The grades of this coffee will range from Santos 2s to Santos 5s, inclusive, the percentage of each grade to approximate the proportion of such grades exported to the United States during 1941 and the cup quality of the coffee to be soft or better.”

The note was presented to the Brazilian Embassy at the request of the Department of Agriculture and the Office of Price Administration, which agencies are responsible for supplies and prices of coffee in this country.

## German War Documents

[Released to the press October 3]

A program for the publishing of an authoritative collection of German Foreign Office documents and other official papers is being undertaken by the Department of State. Dr. Raymond J. Sontag of the University of California is director of the project, which was approved by Congress last spring in the State Department's appropriation act.

The objective of the Department is the publication of the complete and accurate documentar-

record of German foreign policy preceding and during World War II. It is believed that 20 or more volumes will be required for this task.

In order to guarantee the objectivity of the undertaking, the Department is calling in outside scholars of the highest reputation. There are hundreds of tons of papers of the German Foreign Office and other governmental ministries which will have to be scanned by the staff of editors who will be sent to Germany for this work. It is believed that three years or more will be required for the task.

A photographic project is currently reducing the tons of written material to microfilm. The films are being flown from Germany to the State Department. They began arriving several months ago and are now in the process of being cataloged and translated.

During the past six months the Department has published in the DEPARTMENT OF STATE BULLETIN and in pamphlet form selected German documents from the large collection of these materials which has been brought over in microfilm. It will continue to do this from time to time. These and future documents published in the BULLETIN will be included in the projected full documentary record.

## Treaty Obligations and Philippine Independence

### REPLY OF DOMINICAN GOVERNMENT TO U. S. NOTE<sup>1</sup>

October 7, 1946

MR. SECRETARY:

I have the honor to refer to Your Excellency's note of the 4th of May of the present year, and to inform Your Excellency, in conformity with instructions that I have received to that effect, that the Dominican Government agrees that the provisions of the Agreement between the United States and the Dominican Republic, effected by an exchange of notes signed the 25th of September 1924, shall not be understood to imply the extension to the Dominican Republic of the advantages accorded by the United States to the Philippines.

Accept, [etc.] EMILIO G. GODOY

His Excellency

DEAN ACHESON,

Acting Secretary of State

<sup>1</sup>U.S. note is similar to note sent to Bolivian Government as printed in BULLETIN of June 16, 1946, p. 1049.

## Plans for Philippine Rehabilitation

On October 5 a discussion on the plans for Philippine rehabilitation was broadcast over the NBC network. The participants in the broadcast were John Carter Vincent, Director of the Office of Far Eastern Affairs, and Frank P. Lockhart, Chief of the Division of Philippine Affairs, both of the Department of State, and Narcisco Ramos, Chargé d'Affaires of the Embassy of the Republic of the Philippines. This program was one in a series entitled "Our Foreign Policy," presented by the NBC University of the Air. For a complete text of the radio program see Department of State press release 700 of October 4.

## Departmental Regulations

### 116.1 Office of the Legal Adviser (Le): (Effective 9-6-46)

I FUNCTIONS. Those functions of Le pertaining to economic affairs and to treaties shall include:

#### A Economic Affairs, Le/E.

1 Providing legal services for the Under Secretary for Economic Affairs, the Assistant Secretary for Economic Affairs and for the offices (other than the Office of Foreign Liquidation) under the direction of the Assistant Secretary for Economic Affairs, and economic matters otherwise arising in the Department.

#### B Treaties and Other International Agreements, Le/T.

1 Collecting, compiling, and maintaining information pertaining to treaties and other international agreements.

2 Performing research and furnishing information and advice with respect to the provisions of such existing or proposed instruments.

3 Procedural matters including the preparation of full powers, ratifications, proclamations and protocols.

4 Matters related to the signing of ratifications, proclamations and registration of treaties and other international agreements.

5 Custody of the original text of treaties and other international agreements.

6 Typing and binding of the official (ribbon) copies of treaties, agreements, and so forth prepared in the Department of State.

#### II ORGANIZATION

A Assistant Legal Adviser for Economical Affairs, Le/E.

## Erratum

In the BULLETIN of September 29, 1946, page 574, second column, second paragraph, between the second and third lines read: "agreement reached last May for its association with the United Nations. Under the terms of this".

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*The Department of State* bulletin

VOL. XV, No. 381 • PUBLICATION 2650

October 20, 1946

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, 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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## German Documents: Conferences With Axis Leaders, 1944

*The Führer and the Duce, with their diplomatic and military advisers, meet in the first of a series of conferences held near Salzburg in April 1944. The Duce as head of the Republican Fascist regime analyzes frankly the difficulties of his position. He recounts the contributions of his new government to the Axis war effort and those present discuss the difficulties arising in warfare against the Partisan movement.*

**Memorandum of the conversation between the Führer and the Duce at Schloss Klessheim, April 22, 1944, 11 A.M. to 1 P.M. Also present the Reich Foreign Minister, Field Marshal Keitel, Ambassador Rahn, SS-Obergruppenführer Wolff, General Tausen, Lt. Colonel Jandl, SS-Standartenführer Dollmann, Marshal Graziani, Under Secretary of State Mazzolini, Ambassador Anfuso, and the Italian Military Attaché in Berlin, Colonel Morera**

Führer's Memorandum 18/44  
State Secret

The Führer opened the discussion by stating that Minister Schmidt had had an automobile accident and that Colonel General Hube, the commander of the First Panzer Army, had been the victim of an airplane accident. The Führer said that because of that he had decided he would never make the Duce a present of an airplane.

The Duce then took up the discussion with a general description of the situation. When he had taken over the administration seven months previously he had encountered absolute chaos; for when his regime had collapsed a real catastrophe had ensued. This state of disorganization had assumed proportions which he had no conception of at the period immediately after his liberation.

On September 23, 1943 he had formed a government, the first meeting had taken place on September 27, and thereafter hard work had begun. His task was beset by various difficulties. First

of all in this connection he would discuss the matter of the internment of the Italian troops. This measure had at the time been entirely advisable and thoroughly necessary, for the majority of the Italian troops following the catastrophe had been misled as a result of enemy propaganda. He would have to state, however, that some six or seven million Italians were interested in the fate of the Italian military internees, that is to say, all of their relatives and dependents, and that the morale of the Italian people would be appreciably heightened if an improvement in the situation of the military internees could be brought about.

The measures taken in the Alpine foreland and in the Adriatic coastal area constituted a further difficulty. These measures were necessary at the time and were also beneficial, for the coastal area was inhabited by Slavs who were hostile to the Italians and the Germans. However, while they feared the Germans, they had considerable disregard for the Italians.

The Italian population was composed of three groups politically:

1. A minority who were favorably inclined to

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These are translations of documents on German-Italian conversations, secured from German Government files, and are among the German official papers which the BULLETIN is currently publishing.

the Republican-Fascist regime. This group, however, was actually a minority.

2. The great majority of the population, who stood between skepticism and pessimism. Only the Republican-Fascist Party, which had adopted a favorable attitude with respect to the Germans, represented a source of strength among these numerous skeptics. It would therefore be well if, on the German side, a declaration of solidarity with the Republican-Fascist Party could be issued. He (the Duce) believed that it was a mistake to make only a small minority, or on the other hand, a far too large number, into Party members. The right figure would be one million and the number of party members would be set at this figure. Naturally in taking in new members one must be very careful, for all of the Party members ought to be soldiers who would believe, obey, and fight.

[3.] The third group among the Italian people included those who were hostile. The monarchy had been eliminated both as a personality and as an institution. The republic was already a very widespread concept. Only a few plutocratic aristocrats were against it. It was important that by means of truly social measures the whole population should be won over for the republic. Measures on a large scale would have to be undertaken in the field of social legislation for the structure of Italy had not yet been changed. No disturbance in production would result if these changes were carried out at the present time. Strikes were entirely under control. Only 200,000 workers out of many million had gone on strike for periods ranging from ten minutes to eight days. The duration of eight days had only been attained because free play had been allowed to strikes, in order to be able to carry out radical measures.

The enemies of the present regime were divided into six parties. Beside the Monarchists they were mainly Communists and Liberals. In South Italy the number of parties had risen to 20. There was the enemy who was to be taken most seriously, the friend of Stalin, Togliatti, who, as Minister without Portfolio, had joined Croce, Sforza, and the unimportant Rodino. Togliatti sought to achieve conciliation among the various classes of the population. He would not be successful in this due to the contrasts existing in South Italy. It could already be stated that the measures of Badoglio

to obtain troops were a failure. The Duce here mentioned that in North Italy there were living 32 million Italians while for the efforts of Badoglio in South Italy there were only 6 million available.

The attitude of the Church was hesitant. The Pope, it was true, was neutral; the clergy, however, had adopted a reserved or even a hostile attitude.

The food problem presented a great difficulty. Ambassador Rahn had developed a very useful activity in that connection. The Po Valley in itself was the granary of Italy. The difficulties lay principally in the transport problem. If only 1,000 motor trucks could be made available a satisfactory provisioning of the whole Italian people would be possible. The situation in Rome was the worst. There the population had been increased to between two and three million by the influx of refugees from South Italy.

Badoglio's declaration of Rome to be an open city had been a mistake, for Rome was not a collection of buildings and palaces, but it was an idea. It would have been endurable if the newly constructed portions of Rome had been destroyed and if the center from the Colosseum to the Forum perhaps had been spared. Up to now, however, Rome had already suffered thirty attacks in spite of the declaration that it was an open city. Roosevelt stated today that the question of the destruction of Rome depended on the Germans. The Germans were now stationed only around the edges of the city while the enemies of Italy could perpetrate their misdeeds on the center. The English and the Americans were making the provisioning of the city more difficult through their bombardment of the approaches. The population was thus receiving only 100 grams of bread per day and for some months now no fat at all. Prices had risen to astronomical levels and only the millionaires were able to buy on the black market. From that arose the danger that Communist organizations and the National Committee of Liberation which was in existence in Rome also would make use of the discontent and that chaos would ensue in Rome. The police were not entirely reliable. The principal contingent of police was composed of the P.A.I. (Italian African Police), whose attitude could best be described by their somewhat humorous designation as the "Italian Anti-Fascist Police". In this police contingent

the 400 officers served as privates. They were well armed. In addition there were the papal police who were for the Pope and therefore against the Duce. Only the civil police could be characterized as good. That was the way things stood in Rome, while the front was only thirteen kilometers distant from the city.

The Duce emphasized the necessity of defending Rome, for from the loss of Rome would ensue not only military, but particularly political consequences, since Rome was the spiritual center of Italy. Also the establishment of a new front line, which would have to run along the Apennines from Savona to the Abruzzi, would present difficulties, for such a front would be too long.

It had been demonstrated that the English were good soldiers, but that the Americans were not, since they had lived too well and did not want to die. If Kesselring had had sufficient forces Monte Cassino ought to have been made into a new Pass of Thermopylae.

The strengthening of the Italian Republic was in the interest of Germany. For that reason a recognition of the efforts which Italy had made since September 8th of the previous year seemed important to the Duce. Sauckel had requested one million workers, Göring for his flak activities had asked for 200,000 Italians, Kesselring for 32,000, the German Navy 27,000 and, finally, 8,000 Italians had been required for smoke-defense units. Besides, Kesselring had asked for 16 additional battalions for coast defense. This made a total of 1.3 millions. He (the Duce) was prepared to supply these. In order to do so he would call up the classes of 1919 to 1922.

These results had been and would be achieved in spite of German transport difficulties in Italy, especially around Rome, and in spite of the numerous headquarters of the Government, which were scattered over all of North Italy. Great results were being demanded from the Italian people. For that reason, they must also be given the impression that the new Italian Government had an independent position and that there were certain fields in which it had complete control, even though there were others in which it operated jointly with Germany. The catchword of the enemy propaganda to the effect that the Italians were only held down by German bayonets would have to be destroyed. Only then could the Ital-

ians be required to make further sacrifices. Italy had lost 400,000 dead, and 100,000 civilians had fallen victim to bombings. Many had lost all their possessions, cities had been destroyed and, what was especially hard to bear, irreparable losses had been suffered in the artistic field. These works of art could not be recreated in concrete as the Americans had said.

Italy was prepared to lose all but one thing, her honor. The Germans must have complete confidence that the new Italy had burned her ships behind her and was determined to march alongside the Germans to the end. That was the pledge made by the new Italy. He (the Duce) believed that the Americans and English had already lost the war. There were, however, not only military but also political possibilities. It might be that Stalin would follow Lenin and defend only his own boundaries, since Lenin had said that the proletariat of the different countries should each make its own revolution with only the moral assistance of Russia. It was true that one could not state this as a certainty because Stalin had now become an army chieftain and had made himself Marshal, but the sacrifices of Russia were so great that Stalin would perhaps be satisfied. That was what the Italian people believed, who saw in England their enemy Number One. If England were defeated the war would be won and England also would be plundered.

The Duce then requested the Führer to listen to a statement by Graziani, who would report on what Italy had accomplished in the interest of the joint conduct of the war. The Italians had done their best. The Communists sought to frighten the Italians by terrorism. Fascists in uniform were shot down on the streets and only the most severe counter-terrorism could produce a change in this situation. The Duce believed in the possibility of bringing about a complete rehabilitation of the Italian people.

Marshal Graziani first reported that when he had taken over his command in September of the previous year absolutely nothing had been available for the reorganization of the Italian armed forces. The first months had been very difficult. Thus, for example, he had had no telephone or telegraph service which, of course, were being used exclusively in the service of the German Wehrmacht, and he had had to transmit all of his

messages by radio. Of the seven months he had been able really to work only during the last three months. The officer corps had even in the most favorable circumstances adopted a passive attitude. First of all it had had to be made clear to the officers that their oath to the King had become of no effect. Those who had been prepared to cooperate had often undertaken to do so only for reasons of opportunism. Therefore commissions of officers had been set up, under the supervision of generals and manned by reliable Fascist officers, to sort out the Freemasons and Jews. This activity had been aided materially by the discovery of a list dating from the years 1926-27 which showed the membership of Italian officers in the Freemasons. An additional problem had been the relationship of salaries to those of the Germans. The differential in the payment of the members of the German and the Italian armed forces had previously continually caused bad feeling. The improvement in the position of the Italian officers had, however, attracted a new wave of opportunists into the new army. Graziani had, however, adopted a very rigid attitude. All of the officers were examined with regard to their attitudes and an attempt was also made to carry out a process of rejuvenation in the armed forces. Since October of the previous year a new law modeled on the one framed by Von Blomberg had been in effect. The Royal Army had been dissolved; the new army was built up on a volunteer basis. Although all of the officers had to be loyal Fascists, they were forbidden to engage in any sort of political activity during their period of service.

At this point the Duce interjected that while it was true that these officers were and remained members of the Party, their activity was in abeyance.

Graziani stated that everything would be done to meet the requests of Kesselring for the defense of Rome (flak, defense of the lines of communication, coastal defense). Unfortunately, however, even with the best of will, this was not always possible.

The classes of 1924 and 1925 were now being called up. Therewith a new difficulty had appeared, to wit, that there was not a sufficient number of police available actually to compel those who had been called up to comply with the orders to report for induction. Although over 100,000

men had come in, there were still many slackers. For that reason the death penalty had had to be introduced, not only for deserters, but also for those who sought to avoid service, although according to Italian military law previously such persons could be punished at most by 20 years in prison. The consequence of this measure was that 60,000 to 70,000 men had reported. Now enemy propaganda was again being spread to the effect that the Italians should not only individually avoid their duties to report for service, but even that whole troop units should abandon their barracks, as neither the Germans nor the Italians would dare to shoot four or five hundred deserters. Propaganda to the effect that Germany had already lost the war and the activity of the Partisans operated in the same direction. Graziani and his Chief of Staff, General Mischi, were combating these movements with relentless energy.

The operations against the rebels were also of great importance. Obergruppenführer Wolff was doing everything that could be done. The struggle against the rebels was also of importance for the increase of the prestige and authority of the Italian Government. Ten to twelve battalions were already being employed against the rebels. The rebels were well armed and were equipped with everything and the English were supplying them by dropping arms, radio sets, and even uniforms. In comparison the Italians were poorly armed and, most important of all, had no motor trucks. It was only with difficulty that they could properly fulfill their mission of defending the Apennine passes. Graziani asked to be allowed to speak with complete frankness about one point. Since September 8, 1943 the Italian warehouses had been emptied. Now for the newly inducted troops there were no longer uniforms on hand. The classes of 1924-25 and 1922-23 had been called up. Often there were no uniforms available for the recruits. The Italian people were saying that the contents of the storehouses had been taken to Germany, but on the German side it was answered that there had been nothing there. Doubtless a great deal had been stolen and had been transferred to the black market. Graziani made the proposal that General Leyers, who was in control of industry, should put several establishments at the disposal of the Italians in which they could manufacture their own requirements. The Germans should exercise supervision. Grazi-

ani asked for that expressly. Otherwise there would be nothing other than to buy on the black market, which was left wide open to inflation. He did not need to state that there were also no arms on hand. In that respect also some improvement could be realized since the factory at Gardone-Val Trompia, which was now producing 1,500 rifles per day, was increasing its output to 3,000. At this point the Führer expressed a doubt that the factory was actually producing that many rifles. Graziani stated, however, that the figure he had mentioned was correct.

Graziani stated further that he was no pessimist and that he had spoken only the truth with the greatest loyalty. He wished in conclusion to give a picture of the situation with respect to what Italy had already supplied toward the joint conduct of the war. Approximately 70,000 Italians, or 70 battalions, had joined Marshal Kesselring. Richthofen, for his sphere of activity, had been furnished 51,000 men. There had already gone to Germany for the setting up of two divisions 22,000 men. The rest would arrive in the course of the month of May, so that four divisions could be set up in Germany. Additionally Marshal Kesselring had secured 40,000 men in work battalions organized along military lines; 30,000 men were at their stations available for his own needs; 150,000 were included in the new Italian police, the Guardia Republicana. With several other contingents, that made a total figure of 400,000 men who were in service in Italy on the German side. Graziani concluded his remarks with a request for the support of his efforts not only for the setting up, arming, and clothing of his units, but also against the enemy propaganda.

The Duce then took up the discussion with further remarks on the subject of the Partisan movement. He estimated their numbers at 60,000, or somewhat more, made up of refugees, escaped internees and prisoners of war, and lastly some 6,000 escaped convicts. Naturally the Partisans had also drawn some strength from the anti-Fascist elements. The bases of the movement were various. In Piedmont, for instance, the Partisans claimed to be patriotic and to be willing to fight against the English also. The most dangerous were the organized Communist bands, whose leaders were slaves. Recently a Russian leader of a Partisan band had been captured and shot. Obergruppenführer Wolff stated that the struggle was being

carried on sternly and relentlessly and that the Partisan movement was cracking up [*abbröckele*].

The Duce said that the Partisans were being outfitted with English and also with Italian weapons. By night the Partisans built fires so that the English would know where to drop particular articles for them. Most of them had no uniforms, but such of them as were Communists wore a red star. They were not courageous; only the leaders of the bands defended themselves to the last. The principal Partisan area was Piedmont, yet even there in the recent period they had suffered heavy losses.

Wolff remarked here that in the valleys infested by the Partisans good results had been achieved by deporting the entire male population. The Duce said that the Partisan movement was the most dangerous in the Apennines, where only four highways led from north to south. An operation which was now being carried on against the Partisans in Romagna and Tuscany had produced good results. For the combating of the Partisans the police were principally employed. The Republican Guard still included some 40,000 Carabinieri, who in their hearts were still loyal to the King and were therefore unreliable. Those who had been born before 1900 had now been discharged and replaced by new recruits. At the present time there was being created at Parma a corps of Apennine riflemen. Among them were 3,000 men from the Party and 9,000 from the army. This corps of 12,000 men was intended to be employed against the Partisans. In that connection it was to be noted that the Partisans, some of whom were of an anarchistic trend and distributed the property of the rich among the poor, in certain areas enjoyed the sympathies of the population. Obergruppenführer Wolff remarked that he would take care of the arming of the 12,000 Apennine riflemen, but that he had no motor trucks available.

Marshal Graziani noted in conclusion that the supply routes in the direction of Rome were now being kept open by eight battalions (Germans and Italians).

The Führer interrupted the discussion at this point because he had an important conference and it was agreed to resume the conversation along the same lines at 4 p.m.

SONNLEITHNER

BERGHOF, April 23, 1944

## A NATIONAL RUBBER PROGRAM

by Harlan P. Bramble

*Because of the dynamic character of the rubber situation, the Inter-Agency Policy Committee on Rubber is giving attention to a detailed program for the transition from government to private enterprise and is planning to establish some form of national rubber supervision. In addition, the Committee has proposed to deal with research and development and with the administrative method by which a minimum use of the general-purpose synthetic rubber can best be assured.*

In the highly complex modern American economy rubber has occupied a key position because it is an indispensable part of our transportation system and also because its peculiar qualities are needed in a long list of strategic items. The problems created by the loss of access to Far Eastern rubber-producing areas during the war affected the operations of a number of the departments and agencies of the Government. The prospect of the ending of the war did not remove the perplexities but added prospective post-war difficulties to their operations. The Department of State, in a letter dated June 28, 1945 addressed to the Office of War Mobilization and Reconversion, took the initiative in suggesting the formation of an interdepartmental committee to formulate policy regarding post-war rubber affairs.

Recognizing the importance of the question, John W. Snyder, then Director of War Mobilization and Reconversion, formulated the Inter-Agency Policy Committee on Rubber, under the chairmanship of William L. Batt, in September of 1945. It was directed to survey plans and programs of the agencies for—

1. The maintenance of a synthetic-rubber industry;
2. The maintenance of stand-by rubber plants;
3. The disposal of surplus rubber plants;
4. The encouragement of rubber research and development;
5. The establishment of a strategic stockpile of rubber;

6. The development of wild and cultivated natural rubber in South America;

7. The establishment and maintenance of a mutually advantageous program for importing natural rubber from the Far East.

The Committee was also to submit to the Director of the Office of War Mobilization and Reconversion recommendations on matters requiring action by the President, the Congress, or the Director.

In March of 1946, a first report, as submitted to the President and the Congress, was made public.<sup>1</sup> It contained a set of short-run and long-run recommendations. However, the dynamic character of the rubber situation and the recognition that some of the problems involved required more study led the Committee to postpone the final recommendations pending the issuance of a second report.

Of the short-run recommendations, two required further development:

1. Except for facilities producing specialty rubbers (neoprene, butyl, perbunan, etc.), styrene, and certain chemicals (which may be disposed of forthwith), a detailed program for the transition from Government to private enterprise would be contained in a subsequent report.
2. Some form of national rubber supervision should be established.

In addition the Committee proposed to deal more fully with the following topics:

1. Research and development.
2. The administrative method by which a mini-

<sup>1</sup> See W. T. Phillips, "Rubber and World Economy", BULLETIN of June 2, 1946, p. 932.

num use of general-purpose synthetic rubber could best be assured.

The Committee faced the problem of what may be called the price-quality differential between synthetic and natural rubber. At the present time natural rubber is admittedly superior to synthetic rubbers in many fields of use including that of tire casings, which accounts for about 65-75 percent of rubber consumed. This superiority flows from a number of characteristics—less heat build-up and greater resistance to heat break-down, ease of working with consequent lower rates of rejects, ability to self-adhere, and others. In a number of speciality uses, such as those which require resistance to oil and grease, resistance to aging from sunlight, or impermeability to air, some synthetic rubbers are more desirable than natural rubber is. Of course, the preference on the part of consumers for natural or synthetic rubbers depends upon the relative price at which each one sells, compared with the qualities desired in the product to be consumed. This price-quality preference will vary quite widely between different kinds of rubbers according to the end products in which they are used.

The first report had distinguished between so-called "special purpose" rubbers (neoprene, butyl, etc.), which could be expected to find a substantial market unaided, and a "general purpose" rubber. By the latter was meant the type of synthetic rubber which is presently called GR-S (a butadiene, styrene copolymer).<sup>1</sup> A general-purpose rubber should be usable in a wide variety of products, and its production must be capable of rapid expansion. However, the use in which this rubber is most important was tire casings. It was this type of rubber, or one which would serve its purpose, which under the conditions foreseen at the time of the first report was to be maintained in sufficient volume to meet at least one third of our rubber requirements in that general-purpose field.

A very good passenger-car tire can be made from GR-S with only a few ounces of natural rubber. It will even outwear pre-war natural-rubber tires and compares favorably with pre-war tires in safety at reasonable speeds. It is recognized that superior tires could be made with larger percentages of natural rubber, and in the absence of a substantial price differential in favor

of GR-S the natural materials would be preferred. Nevertheless, passenger-car tire needs could be adequately met with known domestically produced rubbers.

The case is otherwise with truck tires. The heat built up by rapid flexing in large synthetic truck tires causes them to break down more frequently than is safe in modern truck transportation systems. The largest sizes of truck and bus tires must contain natural rubber almost exclusively. These are the types in which production must be expanded in an emergency. National security in this sense will require a stockpile of natural rubber, from which big truck and airplane tires may be built. There are other strategic uses in which synthetics cannot substitute for natural rubber but the big tires are by far the most important.

Although the quality deficiencies of GR-S are relative to the price in the case of passenger tires, its inferiority is more nearly absolute in the case of truck and bus casings. Safety and mileage are so important in heavy motor transport that even substantial discounts are not likely to persuade consumers to change over from natural rubber.

In the course of the Committee's investigation it became apparent that the concept of a general-purpose rubber, while valid during the war period when synthetic-rubber production was channelized into a few types, would probably not be pertinent in a future peacetime economy. GR-S is a term applied to a family of rubbers, all more or less similar, each of which has special properties of its own. Rubber itself is a part of the wide field of plastics, and the dividing line between rubbers and non-rubbers becomes steadily vaguer as research progresses. It is quite probable that in the future there will be no general-purpose rubber but instead a wide variety of speciality rubbers, each designed to fit peculiar requirements. The tendency in synthetic-rubber production will probably be toward "tailor made" types to fit each manufacturer's special specifications. The troublesome large-tire problem will most likely be solved in this manner.

The question of the way in which natural rubber from Western Hemisphere sources fits into the

<sup>1</sup>Buna S is a term generally applied to the synthetic rubbers which are copolymers of styrene and butadiene. GR-S is the government designation given to Buna S - type rubbers.

national rubber plan has been only partially answered. The first report approved the continuation of experiments by the Department of Agriculture in cultivation and processing of guayule and Russian dandelion. The second report re-emphasized this position. It was also recommended that the developmental work on botanic rubber in tropical America be maintained by the Department of Agriculture. At present this program consists of experiment stations operated by the Department of Agriculture which aim to improve and distribute high-yielding, disease-resistant stock together with technical advice on cultivation. The consideration of plans to make use of natural-rubber supplies in the other American republics, as well as arrangements to meet the requirements of the Americas in time of emergency, has been left to the future.

With respect to synthetic rubber, the problem before the Committee was two-fold. First, it wished to insure the continuance of a basic minimum production of synthetic rubber which could be expanded in time of emergency. Secondly, it wished to insure this basic minimum under conditions which would promote rather than hinder the development of new synthetic plastics which could replace natural rubber in those products in which that was not now possible. Within the framework of these two national security requirements, the Committee wished to see established an industry which could stand on its own feet without Government protection, not only to save the public the expense and lower living standards resulting from supporting uneconomic industry, but also to coordinate national rubber policy with national foreign trade policy as set forth in the suggested charter for an International Trade Organization.

The Committee recommended that the industry be placed in private hands as soon as practicable. The major reason for this step was the effect it was expected to have on research and development. Without prejudice to the fine job done under public ownership and exchange of patents and technical information during the war, it was considered likely that faster progress would be made toward the goal of improved domestic rubbers under the stimulus of profit to private enterprise. For war purposes the main objective was mass production in a short time of a type of rubber that was adequate for most uses. Such improvements

as could be made without interfering with optimum production were undertaken. For the future, the program needs investigation of a wide variety of possible substitute rubbers. The Committee considered the prospect of private gain would lead to the widest participation in the research by industries in both the rubber and general chemical fields. The development of better domestic rubbers was thought to be so important for national security as to outweigh possible objections to private ownership.

Basic plants, which can produce and use butadiene at a low cost, should not be sold before all bids are received, and it is determined that a nuclear group of at least 250,000 tons capacity can be sold to private owners simultaneously. The sale should be subject to two conditions: (1) such plants to continue to produce GR-S during the shortage period; and (2) the plants not to be altered, without the Government's consent, to such an extent that they are not reconvertible in a reasonable period of time to the production of synthetic rubber. In a sense this would put the whole synthetic rubber industry on a "stand by" basis. Conceivably all the privately owned plants could be modified to produce material other than synthetic rubber. The actual production and use of GR-S would come not by Government decree but from self-interest or, failing that, some form of public incentive. This feature of the disposal program would also allow the industry to utilize part of its capacity for rubber and the rest of it for related plastics which would help carry the overhead if that should prove desirable. High-cost units including alcohol butadiene plants could be disposed of unconditionally when declared surplus to the present program, except one alcohol plant which was to be subject to the stand-by condition of reasonable reconvertibility. Any unsold capacity would be held by the Government in stand-by condition for future sale on the same terms if that should prove possible.

The existing compulsory agreements for the exchange of patents and technical information in the styrene, butadiene, and copolymer field should be renegotiated with a view to termination at the time of disposal of the nuclear group of plants. The same reasons advanced for private ownership, namely advancement of research and development, dictated this recommendation. Purchasers of plants will, of course, have access to all the patent

and information in the pool up to the cut-off dates. Also the Government should assist purchasers, to the extent it can do so, to obtain licenses under American-held foreign patents which may be needed in developing foreign markets.

The Congress should establish a national rubber-supervisory body to supervise and coordinate all activities relating to national rubber policy. That body, consisting of an independent chairman and a high ranking officer of each Government department or agency having a substantial interest in rubber, is intended to provide a means of keeping the over-all rubber situation under continuous review and assuring action by report to Congress and the President in advance of any emergency.

The report does not recommend legislative action to protect the market for domestic rubber at this time. It does ask Congress to declare by resolution that the maintenance of a synthetic-rubber industry whose production will be continuously used is essential to the national security of the United States. It is expected that for the first of 1946 and all of 1947 more than the minimum needed production of GR-S will be forthcoming because of the shortage of natural rubber. After that time there is a good possibility that the results of research now under way together with the competitive self-interest of rubber, petroleum, and chemical industries will have established an industry which can exist without support.

Nevertheless, the lesson of the war must not be forgotten, and if domestically produced rubber cannot stand on its own feet in world competition then a minimum capacity must be preserved by some means. It is in the province of the Congress to determine what that form of support should be if it is ever necessary. The Congress can best determine the proper action in view of conditions and international commitments then existing. The Committee offered the results of its deliberations for consideration by the Congress, if and when there is need for protective action.

These may be summarized as follows:

Tariffs or quotas were regarded as unsatisfactory for several reasons: either would violate definite commitments in existing trade agreements; both are clumsy methods of gaining the desired ends. They are inflexible, and to be certain of effective-

ness they must be so restrictive that they run the risk of overprotecting the industry, thus making it complacent and unprogressive. In addition, tariffs and quotas raise the cost of raw material and make the cost to the public higher than necessary. The internal excise on products containing natural rubber suffers from the same shortcomings as the tariff.

A Government import monopoly would not only be contrary to our general Government policy of promoting private business but would influence foreign governments to retaliate with the same type of organization in the same or other commodities. Other possible methods of intervention were examined and disapproved for sufficient reason.

Two types of possible governmental support appeared to the Committee to deserve special consideration, if and when intervention were deemed necessary. Subsidies, especially end-product subsidies, and product specifications were found to be the least undesirable forms of public aid. The advantage of the subsidy is that the cost of Government support would be met by the Nation as a whole out of taxes. By avoiding artificial raising of rubber prices, the burden to the public would be lower and total rubber usage would not be restricted.

End-product subsidies and product specifications have the great advantage that, operating on the end product rather than on the raw material, they could encourage the development of a wide variety of different materials which might substitute for natural rubber, without discriminating against any branch of industry that wished to develop its own type of product. The end-product subsidy could offer a strong profit motive to develop a successful material for use in large tires. Product specifications afford a means of controlling closely the quantity of domestic rubber to be used. The minimum production of domestic rubber could thus be assured, but no more than the desired amount need be protected. Subsidies and specifications have other advantages by comparison with alternative methods, but these are the most important. The Inter-Agency Committee tended to favor a combination of subsidies and product specifications as a means of assuring, if necessary at that time, security interests at minimum costs and with the least harm to international trade.

## WORLD FUND AND BANK

### First Annual Meeting of the Boards of Governors

*An article prepared by the  
Fund and Bank*

*With the convening of the first annual joint meeting of the Boards of Governors of the World Fund and Bank, those international bodies emerge from the preparatory stage to become operating agencies in their respective fields. The article presented here reviews the actions taken at that joint meeting on matters relating to admission of new members, revision of the quotas of certain governments, interpretations of the Articles of Agreement, monetary uses of silver, and organization procedures.*

The International Monetary Fund and the International Bank for Reconstruction and Development, jointly fashioned at Bretton Woods in July 1944 and jointly inaugurated at Savannah last March, convened the first annual meeting of their Boards of Governors at Washington on Friday, September 27. The business of the meeting was consummated with dispatch over the next six days. Matters brought before the governors included: (1) requests from four governments for admission to membership; (2) requests from three other governments for an upward revision of their quotas in the Fund; (3) a request from Denmark that it be accorded voting representation on the Executive Boards; (4) interpretations of the Articles of Agreement requested of the Executive Directors of the Fund; (5) a resolution on silver proposed by Mexico; (6) proposed amendments

to the bylaws adopted at Savannah; (7) the rules of procedure developed by the Executive Directors; (8) the procedure for external audit of accounts; (9) the selection of an Advisory Council for the Bank; (10) the election of officers and selection of a place for the next annual meeting. At the conclusion of the final joint session on October 3, two days earlier than originally planned, these matters and others had been disposed of to the apparently wide-spread satisfaction of the governors.

The meeting was attended by representatives of the 38 countries holding membership in the Bank and, in the case of the Fund, by representatives of its additional member, Colombia. One of the early acts of the meeting was to send invitations to non-member countries represented at the Bretton Woods conference and to international organiza-

tions which had stated that they were prepared to send observers. Representatives of Colombia attended sessions of the Bank in an observer capacity. In addition, observers were present from Australia, Haiti, Liberia, and Venezuela, and from the following international organizations: Economic and Social Council of the United Nations; Food and Agriculture Organization of the United Nations; United Nations Relief and Rehabilitation Administration; International Labor Organization; and Provisional International Civil Aviation Organization.

The progress of the meeting was guided by John W. Snyder, Secretary of the Treasury, in his capacity as governor for the United States and Chairman of the two Boards. Following the reading of a message of welcome from the President of the United States by Under Secretary Clayton, alternate governor for the United States, at the first session, the Chairman addressed the governors on the subject of the tasks confronting the two organizations. With the convening of this meeting they had emerged from the preparatory stage to become operating agencies in their respective fields. The expectations that the magnitude of post-war international economic and financial problems would more than tax the individual capacities of nations have been realized. As implements essential to achieving the United Nations goals of productive employment on a wider basis and better living standards, the Fund and Bank were designed to help meet both the immediate post-war and longer-term monetary and financial needs of the world. The United States Congress in increasing the lending power of the Export-Import Bank in 1945 from \$700,000,000 to \$3,500,000,000 did so in the expectation that the International Bank would soon be in operation. A large part of the responsibility for reconstruction loans to countries otherwise unable to borrow on reasonable terms now rests with the International Bank. A companion task, that of insuring that the restrictive and discriminatory trade and currency practices forced on many countries prior to and during the war do not become permanent fixtures of international commerce, falls to the Fund. The Fund can provide vital aid to countries in sustaining imports while their export industries and foreign markets are in the process of restoration. At the present time, the Fund is consulting with each member country to determine the par value of

its currency. By such cooperative action a pattern of rates should be established which will be consistent with the maintenance of international equilibrium and the stability of international currency values. The Fund and the Bank should succeed; their charters are drawn broadly enough to encompass various types of economic and trading systems and to permit the handling of problems as they arise.

A Joint Procedure Committee, constituted at the Savannah Inaugural Meeting, steered the work of the meeting and served as an over-all coordinating body. The first sessions of the Board, held jointly, gave way to separate meetings of the Fund and Bank for the purpose of considering the annual reports of each organization and hearing the remarks of Camille Gutt, Managing Director and Chairman of the Executive Board of the Fund, and Eugene Meyer, President and Chairman of the Executive Directors of the Bank.

Working committees, separately constituted, took under consideration the various items of the agenda and reported back their recommendations to plenary sessions of the respective Boards. Chairmanship of these committees was as follows: "Rules and Regulations", J. H. Halloway, temporary alternate governor for the Union of South Africa for the Fund, and James L. Hsley, governor for Canada, for the Bank; "Quota Revisions" (Fund), Gunnar Jahn, governor for Norway; "Subscription Revisions" (Bank), Joaquin E. Meyer, governor for Cuba; "Membership", Xenophon Zolotas, governor for Greece, for the Fund, and René Ballivián Calderón, governor for Bolivia, for the Bank; "Finance", Francisco Alves dos Santos-Filho, governor for Brazil, for the Fund, and Alois Kral, governor for Czechoslovakia, for the Bank; "Advisory Council" (Bank), Carl Valdemar Bramsnaes, governor for Denmark.

The applications for membership received from Syria, Lebanon, Italy, and Turkey constituted items of first importance on the agendas of the Fund and Bank. The only instance of an other than unanimous decision during the formal proceedings of the meeting occurred when Italy's application came up for consideration. Yugoslavia questioned the policy of admitting an ex-enemy country into membership prior to the conclusion of a peace treaty and in advance of even neutral countries, at a time when it was contended that the

intent of the country to meet its obligations with respect to the United Nations which suffered from its aggression was not clear and when its economic and financial position was such that fulfillment of the responsibilities of membership might prove impossible.

The United States, supported by the United Kingdom, stated that it found no obstacle in international law to the admittance of an ex-enemy country prior to the signing of a peace treaty. The United States observed that the status of co-belligerent was granted to Italy by the Allies as early as October, 1943; that all but two of the United Nations had already extended recognition to the Italian Government in one form or another; that, in view of Italy's contribution to the war against Germany and the status of the new government, the Allies had undertaken to relax the armistice terms previously imposed; that steps toward returning Italy to the international economic community had already been taken with her readmittance to membership in the International Labor Office in 1945 and with the concluding of trade and other agreements between Italy and the United States and other powers; that, finally, the further restoration of Italy to the world economic community through membership in the Fund and Bank was in the best interest, not only of Italy, but also of the world community and of the two organizations themselves. Yugoslavia, emphasizing that her request for postponement was not directed against the Italian people, urged that a unanimous and unhurried decision was desirable, especially in as much as a peace treaty might be signed in the near future. The United States and the United Kingdom pointed out that, in view of the special circumstances surrounding the Italian case, Italy's admission should not constitute a precedent for the admission of any other former enemy country. Yugoslavia failed to find extensive support for her position in the ballot, and Italy was voted eligible for membership in the Fund and Bank by a large majority. The membership of Turkey, Italy, Syria, and Lebanon will become effective with the consummation of certain formal acts of acceptance of the Articles of Agreement of the Fund and Bank.

Requests for increased quotas in the Fund for France, Paraguay, and Iran were considered. The requests of France and Paraguay were given

first attention. Increases from \$450,000,000 to \$525,000,000 and from \$2,000,000 to \$3,500,000 for France and Paraguay, respectively, were approved, the increase for Paraguay to become effective upon application by Paraguay for a proportionate increase in her subscription in the Bank. An application from France for proportionate increase in her subscription in the Bank had already been received and was approved, and an increase for Panama was authorized at such time as it was applied for. The request from Iran, received during the progress of the meeting, was referred by the Board of Governors to the Executive Directors for study and recommendation at a later date.

Owing to the fact that Denmark had not acquired membership in the Fund and Bank at the time of the Savannah meeting, that country did not participate in the election of the Executive Directors of the two organizations. Had Denmark enjoyed membership at that time, the votes to which her quota now entitles her would find expression in the voting strength of a director on each Board. In an effort to correct this deficiency, Denmark petitioned the Board of Governors to devise a procedure whereby the governor for Denmark might cast a vote in favor of one of the Executive Directors now in office. The Board determined that, in as much as the proposal raised questions of interpretation of the Articles of Agreement, this also should be referred to the Executive Directors for study and later recommendation.

Two interpretations of the Articles of Agreement, referred to the Executive Directors of the Fund following the inaugural meeting, were reported back at this first annual meeting. The United Kingdom had asked whether steps "necessary to protect a member from unemployment of a chronic or persistent character, arising from pressure on its balance of payments", would be measures "necessary to correct fundamental disequilibrium". The Executive Directors reported that it considered such steps "among the measures necessary to correct a fundamental disequilibrium" and that "in each instance in which a member proposes a change in the par value of its currency to correct a fundamental disequilibrium the Fund will be required to determine, in the light of all relevant circumstances, whether in its opinion the proposed change is necessary to correct the fundamental disequilibrium."

Similarly, the United States had asked "whether the authority of the Fund to use its resources extends beyond current monetary stabilization operations to afford temporary assistance to members in connection with seasonal, cyclical, and emergency fluctuations in the balance of payments of any member for current transactions, and whether the Fund has authority to use its resources to provide facilities for relief, reconstruction, or armaments, or to meet a large or sustained outflow of capital on the part of any member". The Executive Directors reported that they interpreted the Articles of Agreement "to mean that authority to use the resources of the Fund is limited to use in accordance with its purposes to give temporary assistance in financing balance of payments deficits on current account for monetary stabilization operations".

At the initiative of Mexico, the Board of Governors of the Fund gave consideration to the monetary uses of silver and the assistance which the Fund's research activities might contribute toward a resolution of problems connected with its use. The Board determined that it would gather whatever material, statistical or otherwise, is available on the monetary uses of silver and which would be useful in facilitating discussions on the subject in an international conference among interested members.

The two Boards devoted some time to questions of their own organizational procedures and those of the Executive Directors. The bylaws adopted at Savannah were amended to improve the sections governing meetings of the Boards of Governors. Each Board of Governors reviewing the rules of operating procedure adopted by its Executive Directors found them satisfactory without

change. The Board of Governors of the Fund, when convened at Savannah, had considered the question of the external audit of the Fund's accounts without arriving at any final conclusion as to the procedure to be employed. Resuming its consideration of the question the Board determined that, as a provisional measure, the accounts should be audited by a small group of persons, three or four in number, chosen from a similar number of Treasurers of member governments, and that the Executive Directors should continue their study of alternative solutions. The accounts of the Bank have been audited by a private firm of accountants.

To complete its organization, the Board of Governors of the Bank decided upon the composition of an Advisory Council. It was determined that the Council should have a membership of nine, with banking, commercial, industrial, labor, and agricultural interests represented by one member each. Of the remaining four members, one, the Chairman, is to be a personality of general eminence; a second is to be a scientist with specialized knowledge in the field of engineering; and two are to be members not representing any particular field of interest, one of whom shall be an economist. The Council is to be elected at the next annual meeting from a panel submitted by the Executive Directors of the Bank.

The formal proceedings of the meetings came to a close with the election of officers and the selection of a site for the next meeting. The chairmanship went to the United Kingdom, and the offices of vice chairman to the United States, China, France, and India, by unanimous consent. London was chosen as the site of the next annual meeting to be held in September 1947.

## **BANK AND FUND PUBLICATIONS**

The following publications are available:

First Annual Meeting of the Board of Governors of the International Bank for Reconstruction and Development: First Annual Report by the Executive Directors. Washington, D.C. September 27, 1946.

Selected Documents: Board of Governors Inaugural Meeting, Savannah, Ga., March 8 to 18, 1946. International Monetary Fund, Washington, D.C., April 1946.

## THE PARIS PEACE CONFERENCE

### The Problem of Trieste and the Italian-Yugoslav Frontier

#### REMARKS BY SENATOR CONNALLY <sup>1</sup>

A just solution to the problem of Trieste and the frontier between Italy and Yugoslavia is the keystone of a peace settlement with Italy. The recommendations which the political and territorial commission for Italy has forwarded to the plenary conference in this respect are among the most important upon which the conference must express its views if it is to fulfill the task to make recommendations to the Council of Foreign Ministers.

Not only does the problem of Trieste constitute an essential element in a real and lasting peace in this area, but it is one of the most vexing with which the Conference has to deal. I need not recall the background of the Ministers' decision last July nor the long discussions which have taken place both in the Italian Commission and in its subcommission. The United States Delegation has repeatedly made it clear that the decision of the Ministers with regard to the frontier and the establishment of the free territory is one decision and one agreement and that no one part of it can be separated from the entire comprehensive whole. Furthermore, unless a satisfactory statute assuring the independence and integrity of the free territory and fully protecting the human rights and fundamental freedoms of its inhabitants is generally accepted and becomes operative, the obligations assumed by the powers signatory to the treaty toward the people of this area and for the maintenance of peace cannot be successfully discharged.

When the decision of the Ministers was made, full account was taken of the fact that in this disturbed area circumstances would call for excep-

tional measures. It was for this reason that the Ministers determined that the Security Council of the United Nations organization in the fulfillment of its primary responsibility for the maintenance of international peace and security must undertake this assurance. Not only must the Conference strive to create a territory founded on democratic principles and in which the people shall have the fullest possible freedom and voice in their own affairs through institutions operating under democratic principles, but it must also undertake to assure that this territory can have a life of its own free from domination by any outside influence; it must be free and independent.

Any statute providing for the establishment of the free territory must assure adequate and satisfactory guarantees that its international character will be maintained, that its integrity and independence will be assured, and that the rights and freedoms of its inhabitants will be fully protected. To achieve these ends it is not sufficient merely for us to agree to words in a document which can and will be interpreted in diverse ways, but we must provide the minimum machinery to secure the implementation of these assurances which at the same time will leave the greatest possible opportunity to the people to handle their internal affairs.

In our conception the Governor is the agent of the Security Council in the free territory. He can in no sense, as has been suggested, be regarded as a dictator or as the agent for any one foreign group of powers striving to use Trieste for their own ends; he will not be sent to the territory to impose his will or the will of others on the people. The people of Trieste, moreover, will have ample opportunity to take their case to the Security Council should they consider any action of the Governor unjustified. He is the instrument of

<sup>1</sup> Made for the American Delegation on the treaty of peace with Italy at the plenary session of the Paris Peace Conference on Oct. 7, and released to the press on the same date. Senator Connally is a member of the American Delegation to the Conference.

the international organization charged with the maintenance of peace and security. He can and must have no other role. He must have sufficient powers to fulfill his responsibilities. Lack of confidence in the Governor in connection with this limited but essential function in fact implies a lack of confidence in the organization which he represents and which we have entrusted with the greatest role in international affairs, namely, to see that peace is maintained. Moreover, the Security Council must at all times act in accordance with the principles and purposes of the Charter of the United Nations. The Security Council cannot preserve the integrity and independence of the free territory by a mere pronouncement or resolution. It must have an instrumentality in the form of the Governor to execute its functions.

In insisting that the free territory shall not be bound by exclusive ties to any one state, which would be incompatible with its status as a free territory, the United States considers that every opportunity for the development of a free and prosperous existence for the territory should be given. We expect all others to do the same. The history of Trieste shows that its prosperity depends upon its utilization as a port by the states of Central Europe. Its hinterland is composed of a number of states which should be assured free access to and from their natural outlet without discrimination. If the action of any one of them prevents or hinders the Trieste development it must be regarded as a political action determined by the interests of one country contrary to the interests of all. There are no economic or physical obstacles to an independent Trieste becoming a prosperous free port for all of Central Europe.

Our proposal is that the territory shall be and shall remain demilitarized, and that no military, naval, or air forces, installations or equipment will be maintained, built, or manufactured in the free territory. These provisions become effective as soon as the permanent statute goes into force. Any exception to this principle could only be made by order of the Security Council in the fulfillment of its responsibilities under the Statute and under the Charter of the United Nations. It is, of course, pure sophistry to assume that the Security Council of the United Nations would lend itself to the military interests of any one power or group of

powers or that any one power or group could possibly establish a military base.

Today when that small area is not free from tension and fear engendered by pressures of the conflicting interests of different national groups, it becomes evident that the first days of its existence as a new territory are of the utmost importance for its future independence and future well-being. The Security Council should immediately be entrusted with the organization of its provisional government.

Mr. President, the Italian Commission has labored long over this problem. It has placed before us certain recommendations. These recommendations are endorsed by two thirds of the members of the Commission. In some respects they do not go as far as the United States would have wished. They leave much to further discussion by the Ministers. Nevertheless, they do outline the main principles without which we feel no settlement is possible. For these reasons the United States Delegation accepted the recommendations put forward by the French Delegation in their Commission and which the Commission in turn adopted as its own recommendation to the Conference. The recommendations propose the establishment of a thoroughly democratic government—the Governor under the direction of the Security Council is to preserve the territory's integrity and independence and to preserve public order and the rights and freedoms of the inhabitants; his powers are delimited. A legislative assembly elected by the people through universal suffrage without discrimination is to be established. It has wide powers. It elects the Council of Government and enjoys legislative authority. It may file protests with the Security Council against any act of the Governor.

A system of independent courts is set up to administer justice according to law. The French proposal sets up a plan which assures the people a free and independent governmental system under which Trieste and its people will be able to prosper and progress and develop.

The United States Delegation urges that the plenary conference adopt and forward to the Council of Foreign Ministers the proposals of the commission as an expression of its own judgment and as a guide to the future work of the Ministers and the final drafting of the treaty of peace with Italy.

## Economic Clauses in the Italian Peace Treaty

### STATEMENT BY WILLARD L. THORP<sup>1</sup>

The economic clauses in the draft peace treaty with Italy set forth a general system of settlements of claims and counterclaims arising from the war. The justifiable claims against Italy are tremendous, and Italy must undertake to make payment to the limit permitted by the character and capacity of her economy. The United States Delegation believes that the proposals which have received majority support in the Economic Commission for Italy represent that limit. Additional burdens placed on Italy might destroy the practical fulfilment of the treaty provisions.

As to reparation (art. 64) the damages and war costs which the various United Nations can properly assert against Italy reach staggering totals. No reparation settlement can be much more than a token payment when measured against the figures of claims. Had the United States pressed its potential claim of \$20,000,000,000, the percentage of recovery through reparation would have been even more infinitesimal. However, although the reparation provisions in their present form do not correspond exactly to the proposals made by the United States, we are prepared to support them.

We feel that the Albanian claim is met to such a degree through Italian assets within her jurisdiction that the limited amount available from other sources should not be reduced to the major claimants by giving a share to Albania.

As to the relative treatment of Greece and Yugoslavia, our studies lead to the conclusion that they should have approximately equal treatment as the treaty now provides.

As to the general formula, we believe that in the light of the nature and present condition of the Italian economy the formula represents the only possible approach under which Italy can make payment. Finally, we believe that the amount of \$325,000,000 is the limit of the Italian capacity

to pay. We shall therefore support the proposed reparation provisions.

As to restitution (art. 65) it is obvious that identifiable items taken by force and duress should be returned. However, many of the suggested amendments went beyond this simple formula requiring replacement when the looted objects could not be found. In the recommendation concerning objects of historical and artistic significance, the Commission proposes a form of limited replacement which the United States supports. However, in general we believe that such provisions should be rejected. They represent a form of concealed reparation, and such claims should be met in the reparation settlement itself. Under specific replacement provisions the various claimant countries would recover from Italy according to the extent to which they held this or that form of special claim rather than on the more equitable basis of all their claims. We have consistently opposed special replacement provisions.

As to compensation for damages done to property of United Nations nationals in Italy (art. 68) we have argued for 25 percent as the proper level for the payment to be made in local currency. We believe that payment in local currency involves economic considerations of an entirely different order than does an external transfer and that the fact that the compensation payments will largely be used for reconstruction within Italy makes it much less burdensome than the disappearance of commodities across the boundary on reparation account. Nevertheless, in the light of all the obligations which are imposed upon Italy by the treaty, we would be content with 25 percent compensation.

We are very clear that the arrangement for such compensation must not distinguish between United Nations nationals who held property directly in Italy and those who held it through the medium of corporations organized under Italian law. This is adequately dealt with in the present draft treaty, and it would be a gross miscarriage of justice if the particular provision dealing with this matter were rejected.

<sup>1</sup> Made at plenary session of Paris Peace Conference on Oct. 8 and released to the press on the same date. Mr. Thorp is Deputy to the Assistant Secretary for economic affairs in the Department of State and is a member of the American Delegation to the Conference.

As to miscellaneous claims not covered in the above list (art. 69) they are to be met from Italian assets within the various jurisdictions. The balance of Italian assets after such claims are met is to be returned to Italian ownership. The provisions of article 69 have been criticized because they provide no machinery for policing the behavior of the Allied and associated powers, but like other articles in the treaty this must depend upon the good faith of the countries involved.

So far as the United States is concerned our position on the matter is clear. We would expect to limit the use of these assets to the satisfaction of certain private claims which are not provided for in the treaty or under our domestic legislation.

The total of such claims will be small, and we hope to negotiate an agreement with the Italian Government with regard to them. In fact, subject to this one special arrangement and to cases of

war criminals and the like, we see no reason why all the \$60,000,000 of Italian assets in the United States should not be returned to Italian ownership although the necessary legislation had not yet been enacted.

In addition to the provisions regarding claims arising out of the war the treaty provides a general basis for clarifying and reestablishing economic relations between Italy and the United Nations.

In total we wish to give our general support to the economic clauses of the Italian Peace Treaty as endorsed by the majority of the Commission as representing the maximum requirements which should be imposed upon Italy. The problems are exceedingly difficult ones, and there is wide room for real differences in judgment. However, we believe the answers which have been found are within the limits of fairness, equity, and realism.

## Economic Clauses in Rumanian Peace Treaty

### REMARKS BY SENATOR VANDENBERG<sup>1</sup>

The economic clauses of the treaty with Rumania raise vital issues involving the ability of Rumania and of other countries whose commerce must pass through Rumania to trade freely in the markets of the world and the ability of other countries to trade with Rumania. These questions go directly to the degree of progress and of peace which this Conference shall encourage. I speak briefly on this phase of the pending treaty.

First, the United States Delegation desires to bring article 34 in the Rumanian treaty to the urgent attention of the Conference because it believes a free Danube is indispensable to the economic health and, therefore, to the peace of central Europe. The United States has no direct commercial interest of its own in the Danube. Therefore it believes it can deal objectively with this problem. It has a heavy temporary responsibility because so long as it is in military occupation it must act as an economic trustee for parts of Germany and Austria, and it is completely convinced that a free Danube under unified control is as indispensable to their welfare and progress as is the economic unity required by the Potsdam Agreement for Germany as a whole. But the larger problem of the general peace is our greater concern and we again assert the conviction that this

peace, which is the responsibility of every nation in this Conference, is substantially related to the avoidance of international trade barriers which invite discrimination and dangerous frictions.

The Danube, the longest navigable waterway in Europe west of the Soviet Union, is the perfect example of these necessities. It is historically clear that Danubian commerce cannot prosper if it is at the mercy of various uncoordinated, restrictive, and discriminatory administrations which respond to the local judgments of the eight national jurisdictions through which the Danube flows. Some of the current trouble—some problems on the Danube—are the result of thus dividing the Danube into unrelated watertight compartments in contempt of the lessons of history and experience.

Article 34 proposes to restore the wisdom of history and experience. It reasserts the general principle that navigation on the Danube shall be free and open, on terms of equality to all states without discrimination. It then remits to the

<sup>1</sup> Made at the opening plenary session on the Rumanian treaty at the Paris Peace Conference on Oct. 10 and released to the press on the same date. Senator Vandenberg is a member of the American Delegation to the Conference.

riparian states themselves, in consultation with the four powers, the establishment of an operating regime during the next six months. One of these four powers, Russia, is also riparian. Another, America, is riparian by proxy so long as it is in German and Austrian occupation. Therefore, riparian states will be in complete control of the establishment of this new unified regime. Thus, a maximum of "home rule" is preserved while, at the same time, this Conference exercises its right and duty to require the application of general principles which it deems essential to the peace for which we all made our common sacrifice.

I emphasize and underline the vitally significant fact that this is no new concept. These are old truths, as persistent as the Danube itself, which I repeat today. They have been recognized by the maintenance of international administration of the Danube since 1856 and even back of that in Napoleonic days. For example, the Treaty of Versailles internationalized the Danube from the head of navigation to the sea and established free navigation throughout the River's length with a control commission including other than riparian states as a recognition of the breadth of interest involved.

It is needless to trace the fluctuating fortunes of the various Danubian commissions since 1856. The important point in the American view is that this relative freedom of navigation on the Danube has been accepted in one form or another as essential for 90 years. I venture to say that the general principles reasserted in article 34 have been inherent in the Danubian regime throughout these 90 years. They have been acknowledged as the essential formula for peace and progress, no matter how illy implemented, for almost a century. They are more essential than ever today.

It seems to the United States Delegation that it would be a tragic and reactionary mistake for this Conference to turn its back upon all this history and experience, reinforced as they are by the obvious need for non-discriminatory unity as disclosed by the limping, stagnant economy of the Danube today. Worse, our silence on this subject would be an actual retreat—an abandonment of freedoms long established before we all fought World War II for greater freedoms. It seems to us that the world is entitled to know that its peace-makers are at least "holding their own" and not slipping back into darker ages.

Article 34 was approved by the Balkan Economic Commission by a vote of eight to five, with one abstention. The United States Delegation is urging an even more convincing plenary vote throughout the debate in the Commission. I did not hear one word of argument against the advisability of restoring a free Danube to non-discriminatory use. I heard chiefly the reiterated demand only that this Conference must leave the problem to the exclusive jurisdiction of the riparian states, some of which are not here represented, and that we must not invade their sovereignty.

I reply: (1) that the practice of nearly a century has, with the consent of riparian states, recognized this wider right of consultation in respect to the fate of the Danube; (2) that riparian states will control the proposed meeting to set up the regime, six to three, exclusive of Germany and Austria, for which the United States has at least a clear, temporary riparian right to speak. Counting this dual proxy as one, riparian states will control seven to two.

Then I want to make this further reply. We do not invade the sovereignty of Rumania any more than does every other obligation imposed perfectly legitimately upon this ex-enemy state if we have any interest in a free Danube and unless we propose to repudiate history, experience, and reality in this connection. There is a very specific reason for article 34 in this Rumanian Treaty, because it was Rumania which upset the fairly satisfactory international regime on the Danube in 1938 by demanding a rendition to herself of the substantive powers of the then existing Danube Commission.

In the debate in the Commission someone asked why we do not similarly internationalize the St. Lawrence River. Of course there is no remote analogy between a river between two countries which have been at peace for 125 years and a river that is shared by eight countries emerging from war, as is the Danube. But if any parallel is sought, I am glad to say that the water traffic of all nations is welcome to a free St. Lawrence in its international traffic on a total equality with the vessels of the United States and Canada.

In a word, Mr. President, it seems to the American Delegation that, if we intend that the Danube shall resume the freedoms heretofore established and shall develop in peace and progress, this Conference must say so now. It is our only chance. We shall not collide with any Danubian aspirations

unless these aspirations collide with these freedoms. In such an event it is doubly necessary that we should anticipate the protective contract now.

For these reasons the United States Delegation, for the sake of present urgent necessities in the zones of military occupation and then for the larger cause of permanent peace and progress, earnestly urges the Conference to convincingly approve article 34 in this Rumanian treaty.

We urge also that the Conference adopt those provisions of article 30 of the treaty, dealing with general economic relations. The Commission has recommended that for a limited period after the treaty comes into force Rumania should be required to extend non-discriminatory treatment to the trade and business activities of those United Nations which reciprocally extend similar treatment to Rumania. This undertaking should provide the basis for the resumption of economic relations between Rumania and the United Nations, pending the conclusion of new commercial treaties and agreements, to the mutual advantage of Rumania and the United Nations and in promotion of progress and peace.

One clause relates to exceptions customarily made from most-favored-nation treatment. The language proposed by the majority of the Commission would permit these exceptions, which were customarily included in Rumania's pre-war commercial treaties, but would not allow the introduction of new exceptions or preferences during the 18-month period when this article will apply. An alternative provision supported by a minority of the Commission would permit new wide preferences to neighboring countries.

Various arguments have been brought forward to the Commission in support of the minority proposal. Most of them have sought to justify this new preference for neighboring states on the basis of preferences which have previously been established in special situations, many of which, like those involving the United States, are in the process of being reduced and eliminated.

It has also been argued that for some reason which is not clear to the American Delegation neighboring states must be free to grant preferences to each other in the interest of their economic reconstruction. It seems to us obvious that in the very nature of things neighboring states enjoy preferential position in each other's trade as a result of their geographical propinquity and the

advantages it confers with regard to cheapness of transport costs, speed of communications and other similar factors. We fail to see why it is necessary to add to these natural advantages by providing for new discriminatory barriers against other countries which have carried the burden of this war and to whom the recovery of international trade is important. In the reconstruction of their economies all of the governments here represented are committed to an endeavor to expand international trade on a non-discriminatory basis to the mutual benefit of the peoples we represent. We feel that it would be singularly inappropriate and untimely for this Conference to go on record as favoring new preferences, new hurdles, and new barriers. We call on the Conference to endorse the economic provisions of the Atlantic Charter, to which we have all subscribed, and to seek the adherence of Rumania to the principles through the treaty provisions.

Finally, the Conference is called to pass upon provisions regarding civil aviation. The proposal of the majority of the Commission would except civil aviation from the treaty provisions requiring national treatment and would commit Rumania, during the 18 months article 30 will remain in effect, to follow the rule of non-discrimination in the bilateral civil-aviation agreements. It is difficult for us to see how there can be objection to such simple and fair provisions. An additional provision proposed by the majority of the Commission would require Rumania to extend the so-called first two freedoms, those of transit and technical or non-commercial landings, to any United Nation which grants these freedoms to Rumania. This proposal, which incorporates principles generally accepted by most countries interested in international civil aviation, is supported by the United States.

In sum, Mr. President, the proposals with which we are confronted relating to the Danube and to economic relations involve the question of whether we are to take a backward step by agreeing that Rumania, after emerging from her war of aggression, is to be free to discriminate against the United Nations or whether we will call upon her to deal with the United Nations on a basis of fair play and non-discrimination.

The United States feels that no delegation in this Conference should have difficulty in making this choice.

## Special Considerations Involved In Drafting Bulgarian Treaty

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

The draft treaty with Bulgaria, while similar in many respects to the treaties with Rumania and Hungary, deals with three subjects at least to which the Conference in plenary session will desire to give particular attention.

One of these is the provision for reparation which, unlike the arrangements for Rumania and Hungary, had not been worked out in detail under the terms of the armistice. We have before us the recommendations of the Economic Commission, and the U.S. Delegation supports the conclusion reached by the majority as to the amount and distribution of Bulgarian reparation based on a comparative analysis of equality of burden, taking for example the amounts set for Rumania as determined yesterday. Bulgaria's obligation would be put at roughly one third of Rumania's obligation. Two factors, however, justify a reparation by Bulgaria at an amount somewhat above the one-third figure, the limited amount of war damage in Bulgaria and the addition to Bulgaria of a substantial area of annexed territory. Consequently, the total figure of \$125,000,000 is considered sound and reasonable.

As to the division of reparation between Greece and Yugoslavia, their claims are essentially of the same character in large part against an army of occupation. If only the claims for actual damages are considered, they are approximately equal in the light of all the factors concerned. The U.S. Delegation believes that the fairest solution would be to divide the total equally between Greece and Yugoslavia.

A very important subject in discussion before this Conference has been the matter of provision in the treaty for the security requirements of Greece. This noble ally, whose steadfast and heroic conduct in the war from the earliest hours of the conflict won the world's admiration and to whose splendid contribution to the final victory we all pay tribute, must find the safety and peace to enable her people to carry through the arduous tasks of reconstruction.

One important measure to this end is an amendment prohibiting the construction of certain permanent fortifications north of the Greco-Bulgarian frontier. Greece has suffered from unprovoked aggression by Bulgaria three times in one generation, and her own frontier fortifications were destroyed during the last Bulgarian occupation. Greek territory east of Salonika is long and narrow and its lateral communications are in some places within artillery range of the Bulgarian frontier. Therefore, a prohibition against permanent mountings for weapons capable of firing into Greek territory will certainly contribute to Greek security.

As regards the strength of the Bulgarian armed forces, the U. S. Delegation has felt it necessary to take note of a law establishing a frontier militia introduced in Bulgaria since the Paris Conference started its work. The U. S. Delegation has placed on record its position that if this frontier militia is not included in the total armed strength permissible under the treaty, then under article XI it will be illegal for Bulgaria to have such a force with military training.

These military provisions are closely related, of course, to the larger question raised by article I of the treaty defining the frontiers of Bulgaria before adopting this article. The Political and Territorial Commission and also the Military Commission took under consideration an amendment and a resolution proposed by the Greek Delegation for a rectification of the frontier between Greece and Bulgaria.

With full acknowledgment of the paramount importance of the future security of Greece, the U. S. Delegation has given long and earnest reflection to this proposal and to alternative plans to this end.

It seemed to the U. S. Delegation that the firmest security for Greece on her northern frontier would be found not so much in territorial changes as in the broad powers of the United Nations. We have a profound belief in the efficacy of the measures which the United Nations are taking for the maintenance of general international security, and the U. S. Delegation can give the full assurance that the United States can be counted on to act in accordance with its solemn undertaking under the United Nations if Greece's security should be endangered by the acts of an aggressor nation.

<sup>1</sup>Made at the plenary session on the Bulgarian Treaty at the Paris Peace Conference on Oct. 11 and released to the press on the same date. Mr. Caffery is American Ambassador to France.

## Summary of Third Session of Economic and Social Council

[Released to the press by the United Nations October 31]

The third session of the Economic and Social Council came to an end shortly before midnight on October 2, after an all-day debate lasting over 2 hours.

Described in a closing speech by Secretary-General Trygve Lie, as having achieved the "most successful results in the history of the United Nations", this third session completed the organizational phase of the Council's work and saw passed the first practical measures aimed at carrying out the Council's mandate to establish economic stability and social security.

The previous sessions were held from 25 January to 16 February, in London, and from 25 May to 21 June at Hunter College, the Bronx, New York. The present third session, held at the new United Nations Headquarters at Lake Success, Long Island, lasted from 11 September to 2 October. Thus, in little more than 60 working days, the Economic and Social Council has set up the most important international machinery ever conceived to coordinate activities in the economic and social fields for advancing the well-being of mankind.

There were two main problems before the Council at the opening of its third session: the problem of refugees and of the economic reconstruction of devastated areas.

### REFUGEES

As a result of almost continuous daily discussions in the Plenary Council, the Committee of the Whole and two *ad hoc* subcommittees, the Council will transmit to the General Assembly a revised draft for the constitution of the IRO, a revised first-year budget, and recommendations for interim measures which may become necessary in case the IRO should not yet be in a position to operate when UNRRA winds up its refugee activities at the end of June next.

Regarding scales of contribution to the IRO expenses, the Council framed no specific recommendations, but will advise the General Assembly to consider them in the light of the conclusions

reached by the Committee on contributions to the United Nations.

### A) Draft Constitution

Comments and amendments to the draft constitution approved at the last Council session had been submitted by member governments of the United Nations. The new text was evolved in the light of these comments and amendments. It is still *ad referendum* pending final endorsement by the General Assembly.

### B) Budget

Starting from a provisional first-year budget of \$258,754,000 drawn up by the committee on the finances for the IRO in London this spring, an *ad hoc* subcommittee revised the figures and cut down the total by two fifths in an effort to bridge the gap between the cost of planned operations and resources likely to be available. The subcommittee also made estimates of the cost of first-year operations, and the repatriation of overseas Chinese, on the basis of information submitted to it by the Chinese Delegation.

The first-year budget, which now totals \$160,851,000, was approved by the Council and it, too, will be transmitted to the General Assembly for final endorsement.

### C) Interim Measures

A U.S. proposal for the creation of a Preparatory Commission for the IRO will be transmitted to the General Assembly. The Preparatory Commission is to come into being when the agreement is signed by eight representatives of governments who are also signatories of the IRO constitution. Meanwhile, according to the U.S. resolution, the Secretary-General is requested to "take such further steps as may be appropriate to plan, in consultation with UNRRA and the IGC, the initiation of the work of the IRO."

According to the resolution, the Preparatory Commission may, in addition to planning first-year operations for the IRO and preparing its organization, also "at its discretion and after agreement with existing organizations . . . take

over any functions, activities, assets and personnel of such organizations."

The expenses of the commission may be met by advances from members of the IRO and from such funds as may be transferred from existing organizations.

#### DEVASTATED AREAS

The problem presented by the war-devastated areas could only be dealt with in part during this session. Owing to lack of time it had not been possible for the temporary subcommission, during the last Council session, to make a complete survey and report on the situation in the Far East and Asia. As a result a report was presented which dealt only with the problem in Europe.

In line with its recommendation to establish the IRO, the Council endorsed the resolution of the UNRRA Council calling on the General Assembly to "establish forthwith" an agency to take over UNRRA relief in those fields not concerned with refugees and displaced persons. It also approved a Chinese proposal that the working group for Asia and the Far East of the temporary Subcommission on Devastated Areas should make its survey and complete a report, if possible in time for the next session of the Council. A further mandate for the Subcommission to continue its work in Europe was also unanimously agreed on.

The Council ran into difficulties, however, over the question of the establishment of an economic commission for Europe.

When this proposal sponsored by the U.K., U.S.A., and Poland came up for discussion, there was such a divergency of views that Dr. Andrija Stampar, Acting President of the Council and Chairman of the Devastated Areas Drafting Committee, suggested that the Delegates of the U.S., the U.K., the U.S.S.R., and China should constitute a working group and seek to find a compromise agreement among themselves.

This group held conversations for several days and produced a series of proposed resolutions, but finally, owing to opposition from the U.S.S.R., suggested that the proposed economic commissions for Europe be considered at the next session of the Council.

The recommendations finally agreed upon, based on the findings of the subcommission report, laid stress on the immediate needs for reconstruction and on the part that would have to be played

by specialized agencies in providing all necessary help. Specific mention was made of the need for short- and long-term financing, on favorable conditions, of urgent reconstruction requirements.

In this connection the Secretary-General was asked to undertake special studies as to the part which both intergovernmental loans and credits and private and commercial credits could play, in addition to the help which should be forthcoming from the International Bank for Reconstruction and Development and the International Monetary Fund. Recommendations were also made that special attention should be paid to the need for increased coal production, increased agricultural production, the rehabilitation of transport, international cooperation in the utilization and training of manpower, new machinery, agricultural equipment and spare parts, the desirability of exchanging information and experience on urgent housing problems, and the need for increased production of electric power.

#### DANUBE VESSELS

A new development of great interest has been the submission to the Council of two disputes involving economic considerations. Czechoslovakia and Yugoslavia have invoked the Council's aid to regain possession of a number of Danubian vessels which are the property of their respective countries and which are now in the United States occupied zones of Germany and Austria.

The Council's competence to deal with this matter was questioned by a Peruvian resolution, but the Council decided by an 11-to-6 vote that it was fully competent.

The wider economic issues involved in the question of reopening Danube traffic to the fullest possible extent were discussed in the light of a U.S. proposal to deal with the Yugoslav and Czechoslovak requests within the framework of an international conference on Danube traffic.

The Council endorsed this view by rejecting the Yugoslav and Czechoslovak resolutions and adopting the U.S. resolution. The Secretary-General is requested by the resolution to consult with the interested states—that is, the riparian states and states in military occupation of riparian zones—and any state whose nationals can demonstrate clear title to Danube vessels—with a view to calling such a conference in Vienna before November 1st.

Decision on a Greek resolution requesting the restitution of Greek vessels now in Soviet hands was postponed because members of the Council felt they had insufficient information.

Among the other main subjects covered by Council resolutions were:

#### WORLD HEALTH ORGANIZATION

A resolution requesting the General Assembly to approve a United Nations loan or grant of \$300,000 to be put at the disposal of the Interim Commission to cover its expenses for the current year, and in addition a loan or grant of \$1,000,000 for financing during the year 1947 the activities of the Interim Commission or the World Health Organization. In addition the Council recommended to the General Assembly to take measures insuring the earliest possible entry into force of the World Health Organization.

#### NARCOTICS

In order to permit the transfer of the League of Nations control system of narcotic drugs to the United Nations, the Council decided on a protocol amending the International Conventions on Narcotic Drugs.

A provision was made excluding Spain from all participation in the United Nations narcotics controls. All resolutions adopted on that subject will be referred to the General Assembly for approval.

#### UNITED NATIONS RESEARCH LABORATORIES

A proposal of the French Delegation that the Secretariat, in consultation with UNESCO, should submit a report on the possibility of establishing United Nations research laboratories.

#### SPECIALIZED AGENCIES

The Council adopted the draft agreement reached between the Committee for Negotiation with Specialized Agencies and the Provisional International Civil Aviation Organization after a debate had taken place on the participation of Spain in the activities of PICAQ.

The draft agreement is subject to ratification by the General Assembly of the United Nations and by PICAQ.

#### NON-GOVERNMENTAL ORGANIZATIONS

An agreement on practical cooperation was reached between the Standing Committee for Consultation with Non-governmental Organizations and the World Federation of Trade Unions. This agreement was approved by the Council.

The International Chamber of Commerce was granted consultative status. Decision on granting consultative status to other non-governmental organizations was deferred until the next session of the Council.

#### WORLD FOOD COUNCIL

A French proposal requesting the Secretary-General to appoint a representative to take part in the deliberations of the Preparatory Commission for the World Food Council, which is to meet in Washington before November 1, and inviting the Chairman of the Economic and Employment Commission to take part in these deliberations.

#### PASSPORTS AND FRONTIER FORMALITIES

A United Kingdom resolution requesting the Secretary-General to convene a meeting of experts to prepare for a world conference on passports and frontier formalities.

#### PERMANENT COMMISSIONS

At this session the Council elected the countries to be members of eight permanent commissions. Two of these commissions were newly created by decision of this session—a Population Commission and a Fiscal Commission. A ninth, the Narcotics Commission, was already fully constituted during the first session of the Council in London.

The Council also decided to recommend to the General Assembly the establishment of a sub-commission on employment and economic stability and a subcommission on economic development, each to be composed of seven persons to be elected by the Economic and Employment Commission in consultation with the Secretary-General and subject to the consent of the governments of the countries of which the persons are nationals.

## Commissions of the Economic and Social Council<sup>1</sup>

### *Economic and Employment Commission* (15 members)

Belgium, France, Brazil, United Kingdom, Poland	2 yrs.
Canada, China, India, Czechoslovakia, Norway	3 yrs.
Cuba, U. S. A., U. S. S. R., Australia, Byelorussia	4 yrs.

### *Transport and Communications Commission* (15 members)

India, Netherlands, United Kingdom, Poland, Brazil	2 yrs.
Chile, China, France, Norway, South Africa	3 yrs.
U. S. A., Egypt, U. S. S. R., Czechoslovakia, Yugoslavia	4 yrs.

### *Statistical Commission* (12 members)

Netherlands, U. S. A., U. S. S. R., China	2 yrs.
India, Canada, Mexico, Ukraine	3 yrs.
France, Norway, United Kingdom, Turkey	4 yrs.

### *Human Rights Commission* (18 members)

United Kingdom, China, Uruguay, Lebanon, Panama, Byelorussia	2 yrs.
France, Egypt, India, U. S. S. R., Ukraine, Iran	3 yrs.
Belgium, Chile, Australia, U. S. A., Philippines, Yugoslavia	4 yrs.

### *Social Commission* (18 members)

France, U. S. A., Czechoslovakia, South Africa, Greece, U. S. S. R.	2 yrs.
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<sup>1</sup> Following elections on October 2 of "nominating states" to the Economic and Social Commissions, the period of service on each Commission of the elected states was decided by drawing the names.

Service on the Commissions is for two, three, and four years, any member nation being eligible for reelection on the expiration of its term of office.

The countries which have been elected members have now to submit the names of their proposed nominees to serve on the Commissions to the Secretary-General, who may make suggestions to the member states as to the special qualifications required of their nominees to insure a well-balanced team on each Commission.

The Economic and Social Council will hold a plenary meeting, probably during the General Assembly, in order formally to approve the nominees.

Netherlands, New Zealand, Peru, Colombia, United Kingdom, Yugoslavia	3 yrs.
Canada, China, Denmark, Ecuador, Poland, Iraq	4 yrs.

### *Status of Women Commission* (15 members)

India, Australia, China, Byelorussia, Guatemala	2 yrs.
United Kingdom, U. S. S. R., U. S. A., Syria, Mexico	3 yrs.
Denmark, France, Venezuela, Costa Rica, Turkey	4 yrs.

### *Fiscal Commission* (15 members)

U. S. A., Belgium, Czechoslovakia, India, New Zealand	2 yrs.
Colombia, U. S. S. R., Cuba, Lebanon, Poland	3 yrs.
China, France, United Kingdom, South Africa, Ukraine	4 yrs.

### *Population Commission* (12 members)

U. S. A., U. S. S. R., China, United Kingdom	2 yrs.
France, Australia, Canada, Ukraine	3 yrs.
Peru, Brazil, Netherlands, Yugoslavia	4 yrs.

## Additional Items for General Assembly Agenda

### PROPOSALS FROM THE U. S. S. R., FRANCE, AND CUBA

The Secretary-General of the United Nations advised the 51 members of the United Nations on October 5 of additional items which have been submitted for inclusion on the supplementary agenda list for the meeting of the General Assembly in New York on October 23.

Additional items have been proposed by the Governments of the Soviet Union, France, and Cuba.

The Soviet request is contained in the following telegram sent on October 3 by Andrei A. Gromyko, representative of the U. S. S. R. to the United Nations:

"His Excellency Trygve Lie, Secretary-General of United Nations, Lake Success:

"Under instruction of the Soviet Government I request you in accordance with Article 11 of the Charter of the United Nations Organization to include in the agenda for the Second Part of the

First Session of the General Assembly the question about the presence of forces of states members of the United Nations on the territories of the non-enemy countries."<sup>1</sup>

The item proposed by France is a draft resolution on the relations between the United Nations and the specialized agencies. It was communicated to the Secretary-General by Alexandre Parodi, French representative to the United Nations.

It proposes that the present draft agreements between the United Nations and the specialized agencies (FAO, UNESCO, ILO, and PICAQ) should be accepted for one year without debate.

They should then be placed on the agenda of the 1947 General Assembly for full discussion. In the light of this discussion, the Economic and Social Council, at its next session following the 1947 General Assembly, should amend the agreements where considered advisable.

Any such amendments would be brought for final approval before the 1948 Assembly of the United Nations.

The item proposed by the Cuban Government and communicated by Ambassador Guillermo Belt to the Secretary-General suggests preparation for the convocation, under article 109 of the Charter, of a general conference of United Nations members to review the present Charter.

Article 109 states:

"1. A General Conference of the Members of the United Nations for the purpose of reviewing the present Charter may be held at a date and place to be fixed by a two-thirds vote of the members of the General Assembly and by a vote of any seven members of the Security Council. Each Member of the United Nations shall have one vote in the conference.

"2. Any alteration of the present Charter recommended by a two-thirds vote of the conference shall take effect when ratified in accordance with their respective constitutional processes by two-thirds of the Members of the United Nations including all the permanent members of the Security Council.

"3. If such a conference has not been held before the tenth annual session of the General Assembly following the coming into force of the present Charter, the proposal to call such a conference shall be placed on the agenda of that ses-

sion of the General Assembly, and the conference shall be held if so decided by a majority vote of the members of the General Assembly and by a vote of any seven members of the Security Council."<sup>2</sup>

In his telegram to the member nations advising them of the additional items received from the Soviet Union, France, and Cuba, Trygve Lie, Secretary-General, has also informed them that he proposes an item regarding an amendment to the rules of procedure concerning the date of the regular sessions of the General Assembly.

Rule 1 of the provisional rules of procedure for the General Assembly states that "the General Assembly shall meet every year in regular session commencing on the first Tuesday after 2 September."

Mr. Lie is proposing to make the opening date for regular sessions of the Assembly nearer the middle of October.<sup>3</sup>

<sup>1</sup> When the question of forces of member states on the territories of non-enemy countries was raised by Mr. Gromyko in the fifty-seventh meeting of the Security Council on Aug. 29, 1946, he listed the following questions on which information should be supplied by member nations:

"In what places on the territory of the United Nations or other states, not including ex-enemy territories, and in what numbers the armed forces of other United Nations are situated.

"At what places in the above-mentioned territories, air or sea bases are established and what is the size of the garrison of these bases belonging to the armed forces of other states members of the United Nations."

At the seventy-second meeting of the Security Council on Sept. 24, 1946, the Council voted by seven votes to two, with two abstentions, not to include the Soviet statement on its agenda. Poland and the U. S. S. R. supported its inclusion on the agenda. Australia, Brazil, China, Mexico, the Netherlands, the United Kingdom, and the United States opposed it. Egypt and France abstained.

<sup>2</sup> The new proposal from the Cuban Government for the Assembly agenda appears to be couched in more general terms than the request Cuba submitted on August 2, 1946, for the agenda which requested the convocation of the members of the United Nations in accordance with article 109 of the Charter, ". . . in order to modify Paragraph Three of Article 27 of the Charter to eliminate the so-called veto privilege."

<sup>3</sup> The Secretary-General's authority to place items on the agenda derives from rule 12 of the provisional rules of procedure, which says:

"The provisional agenda of a regular session shall include:

". . . (G) All items which the Secretary-General deems it necessary to put before the General Assembly."

# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## Calendar of Meetings

### IN SESSION AS OF OCTOBER 13, 1946

Far Eastern Commission	Washington	February 26
United Nations:		
Security Council	Lake Success	March 25
Military Staff Committee	Lake Success	March 25
Commission on Atomic Energy	Lake Success	June 14
UNRRA Planning Commission for International Refugee Organization	Washington	July 24
Paris Peace Conference	Paris	July 29
German External Property Negotiations with Portugal (Safehaven)	Lisbon	September 3
PICAO:		
Interim Council	Montreal	September 4
Regional		
Middle East Regional Air Navigation Meeting	Cairo	October 1-15
Divisional		
U.S. Demonstrations of Radio Aids to Air Navigation	New York-Indianapolis	October 7-26
Five Power Preliminary Telecommunications Meeting	Moscow	September 28-October 21
Second Pan American Congress of Mining Engineering and Geology	Rio de Janeiro	October 1-15
Second Pan American Congress of Physical Education	Mexico City	October 1-15
<b>SCHEDULED</b>		
Preparatory Commission of the International Conference on Trade and Employment: First Meeting	London	October 15
Second Pan American Conference on Leprosy	Rio de Janeiro	October 19-31
International Committee on Weights and Measures	Paris	October 22
Permanent Committee of the International Health Office	Paris	October 23
United Nations:		
General Assembly (Second Part of First Session)	Flushing Meadows	October 23
Economic and Social Council:		
Statistical Commission	Lake Success	November 6 (tentative)
Commission on Narcotic Drugs	Lake Success	November 18
Informal Four Power Broadcasting Conference	Paris	October 24-26
United Maritime Consultative Council: Second Meeting	Washington	October 24-30
PICAO:		
Regional		
Air Traffic Control Committee, European-Mediterranean Region	Paris	October 28
Divisional		
Meteorological Division	Montreal	October 29
Special Radio Technical Division	Montreal	October 30-November 8
Communications Division	Montreal	November 19
Search and Rescue Division	Montreal	November 26
Rules of the Air and Air Traffic Control Practices Division	Montreal	December 3

**Calendar of Meetings—Continued**

FAO: Preparatory Commission to study World Food Board Proposals	Washington	October 28
International Commission for Air Navigation (CINA): Twentieth Session	Dublin	October 28-31
UNESCO: "Month" Exhibition	Paris	November - December (exact dates undetermined)
Preparatory Commission	Paris	November 14-15
General Conference	Paris	November 19 (tentative)
IARA: Meetings on Conflicting Custodial Claims	Brussels	November 6
World Health Organization: Interim Commission	Geneva	November 4
International Technical Committee of Aerial Legal Experts (CITEJA)	Cairo	November 6
International Wool Meeting	London	November 11-16
ILO: Industrial Committee on Textiles	Brussels	November 14
Industrial Committee on Building, Engineering and Public Works	Brussels	November 25
Second Inter-American Congress of Radiology	Habana	November 17-22
Council of Foreign Ministers	New York	November 4
Inter-American Commission of Women: Fifth Annual Assembly	Washington	December 2-12
Intergovernmental Committee on Refugees (IGCR): Sixth Plenary Session	London	December 11

Calendar prepared in the Division of International Conferences, Department of State.

**Activities and Developments »****INTER-AMERICAN COPYRIGHT REPORT<sup>1</sup>**

The Proceedings of the Inter-American Conference of Experts on Copyright, which met at the Pan American Union in Washington, June 1-22, 1946, are now available.

Into this one volume has been gathered every significant document relating to the organization of the Conference and the debates which took place in arriving at the final text of the convention as it was signed. Perhaps the most distinctive contribution, since it is not to be found in any other publication, is that devoted to a report of the discussions which took place in the subcommittees. These discussions later formed the basis of the articles voted upon and adopted by the Committee of the Whole and are essential for the proper in-

terpretation of the convention itself. Since there were about 36 meetings of the several committees, covering a period of three weeks, the plan of reporting chronologically or by committees was rejected in favor of a report by articles. In this way all discussions were coordinated for a better understanding and easier reference.

Besides the committee proceedings, the volume contains the structure of the Conference, a list of the delegates, the speeches and remarks of the delegates at the opening and closing sessions, the final act (containing 15 resolutions), the texts of drafts submitted by the Pan American Union and various countries, and the definitive text of the convention.

The convention and the final act are each published separately, in the four languages of the Union—English, Spanish, Portuguese, and French. All are now available at the Pan American Union upon request.

<sup>1</sup>Released to the press by the Pan American Union.

**United States Position on the Regime of the Straits**

[Released to the press October 11]

*Text of note delivered by W. Bedell Smith, U. S. Ambassador to the U. S. S. R., to the Soviet Foreign Office on October 9, 1946. Copies of this note were distributed on October 10, 1946 to the representatives in Washington of the following signatories to the Montreux Convention: France, Greece, Rumania, Turkey, the Union of Soviet Socialist Republics, the United Kingdom, and Yugoslavia.*

I have the honor to inform Your Excellency that my Government has studied carefully the contents of the note of the Soviet Union to Turkey of September 24 relating to the regime of the Straits.

In pursuance of its policy of making clear to all interested parties its views on matters relating to the Straits, my Government has instructed me to inform you that after examining the note referred to above it continues to adhere to the position outlined in its note of August 19, 1946 to the Soviet Government.

It will be recalled that in the Protocol of the proceedings of the Potsdam Conference, signed by the U.S.S.R., Great Britain and the United States, the three Governments recognized that the Convention on the Straits concluded at Montreux should be revised as failing to meet present-day conditions. It was further agreed in the Protocol that as the next step the matter should be the subject of direct conversations between each of the three Governments and the Turkish Government.

It has been the understanding of my Government that the three Governments, in agreeing with one another that the regime of the Straits should be brought into accord with present-day conditions by means of a revision of the Montreux Convention, mutually recognized that all three signatories of the Protocol have an interest in the regime of

the Straits and in any changes which might be made in that regime. My Government furthermore informed the Soviet Government in its note of August 19, that in its view the regime of the Straits is a matter of concern not only to the Black Sea powers but also to other powers, including the United States. The Soviet Government, nevertheless, in its note of September 24, apparently continues to take the position set forth in its note of August 7 to Turkey that "the establishment of a regime of the Straits . . . should come under the competence of Turkey and the other Black Sea powers". My Government does not consider that it was contemplated at the Potsdam Conference that the direct conversations which might take place between any one of the three signatory governments and the Turkish Government with regard to the regime of the Convention of the Straits concluded at Montreux should have the effect of prejudicing the participation of the other two signatory powers in the revision of the regime of the Straits. On the contrary, my Government considers that the Potsdam Agreement definitely contemplated only an exchange of views with the Turkish Government as a useful preliminary to a conference of all of the interested powers, including the United States, to consider the revision of the Montreux Convention. As stated in its note of August 19, my Government stands ready to participate in such a conference.

My Government also feels that it would be lacking in frankness if it should fail to point out again at this time, in the most friendly spirit, that in its opinion the Government of Turkey should continue to be primarily responsible for the defense of the Straits and that should the Straits become the object of attack or threat of attack by an aggressor, the resulting situation would be a matter for action on the part of the Security Council of the United Nations.

# Situation Between Kuomintang Government and Communist Party

## JOINT STATEMENT BY GENERAL MARSHALL AND AMBASSADOR STUART<sup>1</sup>

On the morning of October 1 General Marshall received through the hands of Wang Ping Nan, the Communist representative, a memorandum dated September 30 from General Chou En Lai in Shanghai relating the activities of the Kuomintang Party to which objection was taken and concluding with the following paragraph:

"Now I am duly instructed to serve the following notice, which I request you would kindly transmit to the government: If the Kuomintang Government does not instantly cease its military operations against Kalgan and the vicinity areas, the Chinese Communist Party feels itself forced to presume that the government is thereby giving public announcement of a total national split, and that it has ultimately abandoned its pronounced policy of peaceful settlement. When reaching such a stage, the responsibility of all the serious consequences should as a matter of course solely rest with the government side."

In accordance with the request of General Chou the foregoing memorandum was transmitted to the Generalissimo, and on October 2 he replied in a memorandum to General Marshall relating certain hostile acts of troops of the Communist Party. In this memorandum the Generalissimo proposed, with a view to saving time and as indicating the sincerity of the Government, the following as the maximum concessions the Government would make in the solution of the present problem:

"One. The Chinese Communist Party has been incessantly urging the reorganization of the national government. This hinges on the distribution of the membership of the State Council. The government originally agreed that the Chinese Communist Party be allocated eight seats and the Democratic League, four, with a total of twelve. The Chinese Communist Party, on the other hand, requested ten for themselves and four for the

Democratic League with a total of fourteen. Now the government makes a fresh concession by taking the mean and offering one seat for the independents to be recommended by the Chinese Communist Party and agreed upon by the government, so that, added to the original twelve, it makes a total of thirteen seats. But the Communist Party should without delay produce the list of their candidates for the State Council as well as the list of their delegates to the National Assembly. This reassignment of seats should be decided by the proposed group of five to be confirmed by the steering committee of PCC.

"Two. For immediate implementation of the program for reorganization of the Army, the location of the 18 Communist divisions should be immediately determined and the Communist troops should enter those assigned places according to agreed dates. The above should be decided by the Committee of Three and carried out under the supervision of the Executive Headquarters."

This communication was immediately transmitted to the Communist representatives and they, later on in the week, called on the American mediators with a request for information as to whether the memorandum of the Generalissimo of October 2 was a reply to General Chou's memorandum of September 30, as no mention of Kalgan was made.

There followed a series of discussions between the Generalissimo and General Marshall and Ambassador Stuart which finally resulted in the acquiescence of the Generalissimo that he halt the advance on Kalgan for a period of ten days during which the five-man group and the Committee of Three would meet in order to consider the two proposals of the Generalissimo in his communication of October 2. The Generalissimo further agreed that during the period of this truce Executive Headquarters would check on its observance with teams at all critical points and that Government representatives would not accompany teams within the Communist lines while the Communist representatives would not accompany teams within the Government lines. Also that between the two forces, teams will be located with representatives

<sup>1</sup> Made in Nanking and released there to the press on Oct. 8; released to the press in the United States on Oct. 10. Gen. George C. Marshall is the President's Special Envoy to China. John Leighton Stuart is American ambassador to China.

from both sides. Further, that the American member would have the authority to determine where and when the teams would go and would himself report on any actions which would, in effect, be considered violations of the truce.

The Generalissimo further [*garbled*] the arrangement that the public announcement of the truce would be made by the American mediators and that the Government and the Communists were to refrain from any announcement.

This information was transmitted immediately at 1:30 on October 6 to the Communist representative, Wang Ping Nan, for transmittal by him to General Chou En Lai in Shanghai.

On Tuesday, October 8, Wang Ping Nan delivered verbally the reply from Yenan through General Chou En Lai, the substance of which was as follows:

“One. The truce should be without a time limit because, based on previous experience, it would otherwise be unsatisfactory. The proposal would seem to be a strategy unless the government troops were withdrawn to their original positions, thus demonstrating the sincerity of the government.

“Two. The Communist Party wishes to have the three and five-man committees to meet, but the discussion should not be limited to the two paragraphs of the October 2 communication of the Generalissimo. These topics dealt with under truce conditions may be regarded as under military coercion.

“Three. No reply had been sent to the communication of October 2 because the Communist Party had been hoping to have some word from General Marshall and Dr. Stuart clarifying the situation for peace. The latest proposal implies that the situation has not changed much. General Chou is therefore preparing to send a formal written reply and sees no need for his returning to Nanking.”

## **Ambassador Stuart Urges United China**

[Released to the press October 10]

*Text of a statement by John Leighton Stuart on the occasion of the thirty-fifth anniversary of Double Tenth Day (Chinese national holiday), October 10, 1946*

It happened that I was living in Nanking at the time of the revolution which led to the establish-

ment of the Republic of China and had the privilege of becoming acquainted with the great leader of that movement as well as with many others closely associated with him. I sympathized heartily then with the aims and ideals of that group of devotedly patriotic followers of Dr. Sun, and have never lost my enthusiastic confidence in the ultimate achievement of what they had so heroically undertaken. The struggle has been continued against selfish or reactionary forces within the country and against ruthlessly determined foreign aggression, but the spirit which won against the Manchu Dynasty is still actively at work. This was notably apparent among the students during the period of their anti-Japanese activities which contributed so largely to the whole peoples' war of resistance.

Because of this experience of mine as to the splendid potentialities in Chinese patriotic efforts, I eagerly hope that there may now be another internal revolution, under the leadership of the present thoroughly worthy successor of Dr. Sun, gathering together the liberal, forward-looking, genuinely patriotic elements of all political parties or of none, against the present enemies of China which are the narrowly partisan, or selfishly unscrupulous, or ignorantly reactionary forces among her own people who are now obstructing the progress toward a united, peaceful, constitutional democracy as advocated by those who made possible the anniversary we are now celebrating.

## **American Ambassador to Poland to Return to U. S. for Consultation**

[Released to the press October 10]

The American Ambassador to Poland, Arthur Bliss Lane, is expected shortly to return to the United States on leave and for a brief period of consultation in the State Department. This will be the Ambassador's first visit to the United States since he arrived in Warsaw in July 1945 to reopen the American Embassy.

While the Ambassador is in the United States he will discuss with officials a number of questions which have arisen in our relations with Poland.

## U.S. Interest in Civil Liberties in Yugoslavia

STATEMENT BY  
ACTING SECRETARY ACHESON<sup>1</sup>

I have been asked if I would be willing to make some comment or statement about the trial and conviction of Archbishop Stepinac, and I shall. It necessarily cannot be specific. What I should like to say is that we have for a long time been concerned about civil liberties in Yugoslavia. You will recall at the time we recognized the Government of Yugoslavia, we drew their attention to what we thought was the undesirable situation in that field and reminded them of their undertakings under the United Nations Charter in which all of these matters are specifically dealt with and urged that the matter be rectified as soon as possible. We have since recognition unhappily had to take up a very considerable number of cases with the Yugoslav Government where we have felt that trials of our own citizens were unfairly conducted. It is this aspect of the Archbishop's trial which I am able to say now concerns us. We do not have, of course, a record of the trial, nor have we had a specific report from our Embassy in regard to it. Therefore, our information about it is the same as that you have, which is that which has been conveyed through the press.

It is the civil liberties aspect of the thing which causes us concern: aspects which raise questions as to whether the trial has any implications looking toward the impairment of freedom of religion and of worship; the aspects of it which indicate at least to the reporters who reported it from the spot that the actual conduct of the trial left a great deal to be desired.

You will recall that under the Constitution and law of the United States fairness of trial is guaranteed under the 14th amendment, and the Supreme Court of the United States has set aside as not being legal procedure at all trials in which the courtroom has been dominated by feelings adverse to the defendant by demonstrations of prejudice. That is deeply inherent in the American system, that the very essence of due process of law is that

<sup>1</sup>Made at the Acting Secretary's press and radio news conference on Oct. 11 and released to the press on the same date.

in trials we shall lean over backwards in being fair to the defendant, in the atmosphere in the courtroom, in forbidding demonstrations of spectators, in opportunity of facing and cross-examining witnesses—all these matters seem to us to be absolutely inherent in the matter of a fair trial. It is that aspect of the thing, on which one can have no final evidence until a record and detailed reports are available, which causes us concern and deep worry.

## Yugoslavia Asked To Reconsider Compensation for Loss of Aircraft

[Released to the press October 9]

Upon instructions from the Department of State, the American Ambassador to Yugoslavia on October 8 delivered a note to the Yugoslav Government acknowledging the receipt of \$150,000 as indemnity for the lives of the five American aviators who were killed when their unarmed transport plane was shot down over Yugoslavia on August 19. The note further stated that, in compliance with the request of the Yugoslav Government, the United States Government would distribute this sum in five equal payments of \$30,000 each to the families of the deceased. The note added, however, that the United States Government could not accept the Yugoslav contention that the Yugoslav Government has no responsibility for the loss of the unarmed transports shot down on August 9 and 19, that these planes did not fly over Yugoslavia illegally but for reasons beyond their control resulting from adverse weather conditions and that therefore the United States Government must ask the Yugoslav Government to reconsider its refusal to make compensation for the loss of the two aircraft.

## Publications

The Department of State issued on October 14, 1946 a new publication entitled, "United States Import Duties, June 1946". This publication brings together all existing rates of duty on imports into the United States. It was prepared by the United States Tariff Commission at the request of the Department of State specially for use in connection with negotiations under the authority of the Trade Agreements Act of 1934.

## Mission to Germany on Export-Import Problems

A group of Government officials is going to Germany on October 8 to discuss with Generals McNamey and Clay the implementation necessary in this country for the import-export program of the American zone in Germany. The group is headed by Howard C. Petersen, Assistant Secretary of War, and George E. Allen, Director of the Reconstruction Finance Corporation. Included in the party are: John D. Goodloe, General Counsel, RFC; DeWitt C. Schieck, President, U.S. Commercial Company; as representatives of the Commerce Department, Arthur Paul, Director of Foreign Commerce, and Murray H. Marker, Deputy Director; State Department, Charles C. Hilliard, assistant to Assistant Secretary of State for occupied areas; Treasury Department, Harold G. Glasser, Assistant Director, Division of Monetary Research; War Department, Col. Charles W. McCarthy, Executive Officer to the Assistant Secretary of War, Col. James McCormack, Jr., Plans and Operations Division, Lt. Col. Roland F. Hartman, Civil Affairs Division, and Capt. Hugh F. Boyd.

One of the objectives of our occupation policy in Germany is to assist in the revival of German economy to the extent that Germany may be able to export goods in amounts sufficient to pay for her essential imports. At the present time, the United States Government is spending for essential imports into Germany, such as food, very large sums of money. It will be necessary to continue to do this until German export trade very substantially increases. The purpose of this mission to Germany is to examine all facets of the German export-import program.

<sup>1</sup>Not printed.

<sup>2</sup>The U.S. note is similar to the note of May 4 sent to the Bolivian Government, which together with the Bolivian reply is printed in the BULLETIN of June 16, 1946, p. 1049. For replies of other governments to similar U.S. notes, see (Norway) BULLETIN of July 7, 1946, p. 38; (Belgium) BULLETIN of July 14, p. 79; (Spain) BULLETIN of July 28, 1946, p. 174; (Ethiopia) BULLETIN of Aug. 4, 1946, p. 235; (Egypt) BULLETIN of Sept. 1, 1946, p. 431; (Portugal) BULLETIN of Sept. 8, 1946, p. 463; (Denmark) BULLETIN of Sept. 29, 1946, p. 596; (Dominican Republic) BULLETIN of Oct. 13, 1946, p. 691.

## Investigation of Incident Relating to Arrival of Soviet Ambassador

STATEMENT BY  
ACTING SECRETARY ACHESON

[Released to the press October 11]

The Department of State has acknowledged the receipt of the note from the Soviet Embassy concerning the difficulties which the Soviet Ambassador states he encountered upon arrival in New York on October 4 and has informed the Embassy that an investigation is being made. The Department had no advance notice of the Ambassador's arrival and therefore had no opportunity to request the appropriate United States authorities to make special arrangements for his clearance. Nevertheless, it is the practice of this Government to accord, regardless of advance notification, all the usual diplomatic courtesies to Chiefs of Mission upon arrival, and the Department is fully investigating the incident described in the Soviet note.<sup>1</sup>

## Treaty Obligations and Philippine Independence

REPLY OF YUGOSLAV GOVERNMENT  
TO U. S. NOTE<sup>1</sup>

EMBASSY OF THE FEDERAL  
PEOPLE'S REPUBLIC OF YUGOSLAVIA

SIR:

I have the honor to inform you that the Government of the Federal People's Republic of Yugoslavia has accepted the proposal of the Government of the United States of America that the most-favored-nation provisions of the Treaty for Facilitating and Developing Commercial Relations between the United States and Yugoslavia signed October 2/14, 1881, shall not be understood to require the extension to Yugoslavia of advantages accorded by the United States to the Philippines.

Accept [etc.]

S. N. KOSANOVIC  
*Ambassador of Yugoslavia*

WASHINGTON, October 3, 1946

## Military Aviation Mission Agreement With Peru

[Released to the press October 7]

In conformity with the request of the Government of the Republic of Peru there was signed on Monday, October 7, 1946, at 3 p.m., by Acting Secretary Acheson and Jorge Prado, Ambassador Extraordinary and Plenipotentiary of Peru to the United States, an agreement providing for a United States Army Air Forces mission to Peru for the purpose of instruction of the personnel of the Peruvian Air Corps.

The agreement is to continue in force for four years from the date of signature and may be extended beyond that period at the request of the Government of Peru.

The provisions of the agreement are similar to those in agreements between the United States and other American republics providing for the detail of officers and enlisted men of the United States Army, Navy, or Marine Corps to advise the armed forces of those countries. The provisions relate to the duties, rank, and precedence of the personnel of the mission, the travel accommodations to be provided for the members of the mission and their families, the provision of suitable medical attention for the members of the mission and their families, and other related matters.

## Letters of Credence

### AMBASSADOR OF HAITI

The newly appointed Ambassador of Haiti, Joseph D. Charles, presented his credentials to the President on October 8. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 709.

### AMBASSADOR OF EGYPT

The newly appointed Ambassador of Egypt, Mahmoud Hassan, presented his credentials to the President on October 10. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 713.

## Rank of Embassy for Diplomatic Missions in Cairo and Washington

[Released to the press September 19]

The Governments of the United States and Egypt have agreed to an exchange of ambassadors and to the raising of their respective diplomatic missions in Cairo and Washington to the rank of embassy.

The President in a recess appointment is naming S. Pinkney Tuck, present American Minister to Egypt, as the first United States Ambassador to that country. The President has also signified his approval of the Egyptian Government's proposal to accredit Mahmoud Hassan as Ambassador to the United States.

The United States has maintained diplomatic representatives in Egypt for the past 70 years, an Agent and Consul General having been appointed in 1876. The status of the mission was raised to the rank of legation in 1922, and since that time there have been six American Ministers Plenipotentiary at the Egyptian capital.

Mr. Tuck began his diplomatic career in Egypt, having been appointed Deputy Consul at Alexandria in 1913. After serving at posts in Turkey, Russia, Switzerland, Czechoslovakia, Hungary, France, Belgium, and Argentina, he returned to Egypt in 1944 as Minister.

Mahmoud Hassan Pasha was appointed Minister to the United States in 1938 after a distinguished career in law and diplomacy. In addition to having served as master of ceremonies at the Royal Palace, Cairo, and assistant "Procureur Général", he was a judge of the Mixed Courts in Egypt from 1930 to 1936 after having held diplomatic posts in France, Belgium, and Czechoslovakia. From 1936 to 1938 he was Minister to Sweden.

### Publication of the Pan American Union

The United States and Latin America, a Survey of Recent Changes in the Relations Between the United States and the Other American Republics, by William Manger, Counselor of the Pan American Union, 1946, 32 pp. Copies may be secured from the Chief Clerk, Pan American Union, Washington, D. C. Price 15¢.

## THE DEPARTMENT

### Appointment of Officers

Herbert S. Marks as Special Assistant, Office of the Under Secretary, effective September 27, 1946.

George C. McGhee as Special Assistant, Office of the Under Secretary for Economic Affairs, effective September 27, 1946.

Edward T. Cummins as Executive Secretary, Policy Committee on Arms and Armament, Office of Assistant Secretary for Occupied Areas, effective May 20, 1946; also, Chief of Munitions Division, effective September 16, 1946.

Paul H. Nitze as Deputy Director, Office of International Trade Policy, effective September 15, 1946.

Dwight S. Mallon as Special Assistant for Public Relations (United Nations), Office of Special Political Affairs, effective August 11, 1946.

Charles A. Thomson as Adviser, Office of International Information and Cultural Affairs, effective October 3, 1946.

Hamilton MacFadden as Associate Chief, International Motion Pictures Division, effective September 25, 1946.

J. Robert Paxton as Special Assistant to Associate Chief, International Motion Pictures Division, effective September 25, 1946.

Samuel W. Boggs as Special Adviser on Geography, Office of Special Assistant for Research and Intelligence, effective October 3, 1946.

Arthur R. Ringwalt as Chief, Division of Chinese Affairs, Office of Far Eastern Affairs, effective September 9, 1946.

Edward G. Trueblood as Deputy Director, Office of American Republic Affairs, effective September 16, 1946.

William W. Chapman, Jr., as Executive Assistant, Office of Assistant Secretary for Administration, effective March 18, 1946.

Edward E. Hunt as Associate Chief, Special Projects Division, Office of Controls, effective July 28, 1946.

Francis H. Russell as Director, Office of Public Affairs, effective October 9, 1946.

Kenneth D. Fry as Chief, International Broadcasting Division, effective August 26, 1946.

Richard H. Heindel as Chief, Division of Libraries and Institutes, effective May 28, 1946.

James R. Johnstone as Special Assistant, Division of Central Services, Office of Departmental Administration, effective July 28, 1946.

Charles Henry Lee as Special Assistant to Director, Office of American Republic Affairs, effective July 15, 1946.

### Departmental Regulations

132.20 Office of Public Affairs (PA): (Effective 9-16-46)

I RESPONSIBILITY. PA shall be responsible for the

<sup>1</sup>The Division of Historical Policy Research and the Division of Publications replace the Division of Research and Publication as described in BULLETIN SUPPLEMENT of Dec. 17, 1944, p. 793.

formulation and coordination of policy and action concerning the United States public aspects of foreign relations.

II FUNCTIONS. The Office of the Director shall direct and coordinate the activities of the Divisions; review and integrate policies formulated in the Divisions; and establish and maintain adequate liaison at the Office level and above within the Department, and with other Government agencies. Through the Executive Officer, it shall plan, recommend, and install methods and procedures designed to improve the effectiveness of PA; examine into the administrative feasibility of proposed programs; represent PA on all management and administrative service matters; and provide administrative services for PA. It shall also provide such special writing services on domestic informational aspects of foreign relations as may be required in PA and other Offices of the Department.

III ORGANIZATION. PA shall be headed by a Director who shall report and be responsible to the Assistant Secretary for Public Affairs, and it shall consist of the following organization units:

A Office of the Director which shall consist of a Director, a Deputy Director, an Executive Officer, and such other assistants and advisers as may be necessary.

B Division of Public Liaison (PL).

C Division of Public Studies (PS).

D Division of Historical Policy Research (RE).<sup>1</sup>

E Division of Publications (PB).

132.21 Division of Public Liaison (PL): (Effective 9-16-46)

I FUNCTIONS. PL of the Office of Public Affairs (PA) shall;

A Maintain liaison with the following listed informational media for the purpose of making available, upon request, information concerning United States foreign policy, except for news items released to the press by the Special Assistant to the Secretary for Press Relations:

1 Editors and writers of magazine and news-feature services and syndicates.

2 Authors and publishers of books and pamphlets.

3 Radio commentators and radio networks; arranging in some cases, upon request, for participation of the Secretary of State, the Under Secretaries, and other ranking officers in broadcasts.

4 Motion picture producers.

B Maintain liaison between the Department and non-Governmental organizations and groups such as veterans organizations, women's groups, educational groups, and so forth; and assist them in presenting American foreign-policy issues to their memberships.

C Make available to Congress and other agencies of the Government, background information regarding foreign relations.

D Arrange speaking engagements for Departmental officers in response to requests received from organizations and groups.

E Prepare replies to public-comment mail concerning American foreign policy addressed to the President, the Secretary of State, and other Departmental officers.

- II ORGANIZATION. PL shall be composed of the following organization units:
- A Office of the Chief.
  - B Group Relations Branch.
  - C Visual Media Branch.
  - D Periodicals and Feature Press Branch.
  - E Radio Branch.

**132.22 Division of Public Studies (PS):** (Effective 9-16-46)

I FUNCTIONS. PS of the Office of Public Affairs (PA) shall:

A Analyze every available type of public expression, including comment from press, radio, and magazines, as well as statements by outstanding public leaders, views of organized groups, various public opinion surveys, and correspondence received by the President and the Secretary of State commenting on foreign relations.

B Prepare for the policy officers, daily, weekly, fortnightly, and special reports on public attitudes and opinion developments on all important phases of foreign relations.

C Advise policy officers of the Department regarding the attitudes, opinions, and areas of lack of information on the part of the American public concerning American foreign policy.

D Make recommendations, based upon its analyses, for development of information policy that will achieve maximum public understanding of foreign policy questions.

II ORGANIZATION. PS shall be composed of the following organization units:

- A Office of the Chief.
- B Analysis Branch.
- C Special Activities Branch.

**132.23 Division of Historical Policy Research (RE):** (Effective 9-16-46)

I FUNCTIONS. RE of the Office of Public Affairs (PA) (in cooperation with the Office of Intelligence Coordination and Liaison (OCL) in the execution of closely related projects) shall be responsible for the formulation and execution of policy with respect to Departmental research in the field of American foreign policy, historically considered; including specifically the following functions:

A Prepare the basic documentary record of the foreign policy of the United States for publication in the *Papers Relating to the Foreign Relations of the United States*, and other comparable collections of diplomatic papers.

B Prepare the basic analytical and interpretative record of American foreign policy in the form of confidential background research studies relating to United States policy with reference to specific areas and to specific problems, for the use of the Secretary, Under Secretaries, and other policy officers.

C Cooperate with OCL by providing reports in the field of RE's exclusive responsibility for background studies in American foreign policy and diplomatic relations.

D Provide an advisory service on matters of historical American foreign policy to the policy officers of the Department.

E Maintain liaison for the Department with the National Archives, and formulate and execute Department policy with respect to the retirement of its records to the National Archives, including servicing of Government officials and qualified scholars desirous of consulting the Department's records and the formulation and execution of policy with respect thereto.

F Prepare and annotate the permanent official record of the Treaties of the United States (*Treaties and Other International Acts of the United States of America*).

G Prepare and annotate the *Territorial Papers of the United States*.

H Maintain the Department's Library.

I Discharge the Department's responsibilities with regard to amendments to the Constitution, and ascertain the electors for President and Vice President.

J Conduct research on behalf of the Interdivisional Publication Committee, in connection with the clearance of manuscripts prepared by employees of the Department and by employees of the Foreign Service, their wives, and immediate families.

K Prepare correspondence involving research in historical American foreign policy, and maintain an information service on these and related matters.

L Undertake from time to time, special research projects intimately related to historical American foreign policy, such as the preparation for publication and publication of captured Axis foreign office material, and other documentation.

II ORGANIZATION. RE shall be composed of the following organization units:

A Office of the Chief which will include the Editor of the Treaties; the Editor of Territorial Papers; and such assistants, consultants, and appurtenant staff as may be deemed necessary.

B Foreign Policy Studies Branch.

C Foreign Relations Branch.

D Library Branch.

**132.24 Division of Publications (PB):** (Effective 9-16-46)

I FUNCTIONS OF THE DIVISION. PB of the Office of Public Affairs (PA) shall be responsible for the initiation and coordination of the publication policy of the Department, and for the execution of the Department's publishing program, including the following functions:

A Maintain a continuing survey of relevant developments and information concerning American foreign relations as a basis for appraising Departmental publishing needs and initiating appropriate programs.

B Plan, formulate, and execute, with the cooperating and other affected Divisions throughout the Department, a continuing program of publications, including major books and pamphlets, in the field of American foreign relations, for:

- 1 Use of Government officials.
- 2 Widespread public dissemination.

C Prepare and publish the *Department of State*

*Bulletin*, the *Register of the Department of State*, and other books and pamphlets as required.

D Compile and publish the *United States Statutes at Large*, and publish the laws originally in slip form.

E Edit all other official material published by the Department.

F Administer the Department's Printing and Binding appropriation, and prepare the Department's printing budget.

G Maintain the Department's liaison with the Government Printing Office, and with the National Archives in respect to the *Federal Register* and the *Code of Federal Regulations*.

H Plan and execute domestic distribution of Department publications, and administer the Department's mailing lists therefor.

II ORGANIZATION. PB shall be composed of the following organization units:

A Office of the Chief which will include the Editor of the *Bulletin* and such appurtenant staff as may be necessary.

B General Editing Branch.

C Foreign Relations Editing Branch.

D Operations Branch.

E Laws Branch.

### 123.7 Munitions Division (MD): (Effective 10-1-46)

I FUNCTIONS. MD, Office of Controls (CON), under the general administrative direction of the Director of CON will be responsible for:

A Administering legislation and agreements pertaining to the control of international traffic in arms, ammunition, and implements of war, so far as such administration is vested in the Department of State.

B Administering the duties with which the Department may be concerned in sections (1) and (2) of Title 1 of the Espionage Act, dated June 15, 1917, relating to the exportation of articles involving military secrets and the control of the dissemination of military information.

C Performing the 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 Registering manufacturers, exporters, and importers of arms, ammunition, and implements of war.

E Licensing exports and imports of arms, ammunition, implements of war, and of the exportation of helium gas and tin-plate scrap.

F Assembling and maintaining information and records pertaining to persons and firms engaged in arms traffic, and rendering assistance to the Department of Justice and other departments and agencies of the Government in the investigation and prosecution of offenses within the scope of the duties of the Division.

G Preparing reports on the registration of manufacturers, exporters, and importers of arms, ammunition, and

implements of war; on licenses issued authorizing the exportation and importation, and on actual exports and imports of such articles; and on the exportation of helium gas and tin-plate scrap.

H Clearing with the National Inventors Council of the Department of Commerce, inventions referred to the Department of State for evaluation as to their military significance.

I Assisting the Secretary of State in the performance of his duties as Chairman and Executive Officer of the National Munitions Control Board.

J Maintaining liaison with the War and Navy Departments, and with other Departments and agencies of the Government regarding matters within the jurisdiction of the Division.

K Assisting and collaborating with the Policy Committee on Arms and Armaments on:

1 Policy and action of the Department on problems arising from international traffic in arms, ammunition, and implements of war and other munitions of war and the relation of controls over such articles to the national defense of the United States.

2 Other matters within the jurisdiction of that Committee.

L Collaborating with other Divisions and Offices which may be concerned in performing the above functions.

### 142.11 Division of Central America and Panama Affairs (CPA):<sup>1</sup> (Effective 9-25-46)

I FUNCTIONS. Under the general direction of the Director of the Office of American Republic Affairs (ARA), CPA shall be responsible for the formulation and coordination of over-all United States policy and action in regard to all aspects of the relation of the United States with countries in the area of responsibility; and, as to these countries, the coordination of the programs and activities of other Divisions and Offices of the Department and of other Governmental agencies with over-all United States foreign policy.

II AREA OF RESPONSIBILITY. The area of responsibility of CPA shall be as follows: Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama. Jurisdiction with respect to the non-United States colonial possession (British Honduras) is shared with the appropriate Division of the Office of European Affairs (EUR).

### 142.12 Division of Caribbean Affairs (CAB): (Effective 9-25-46)

I FUNCTIONS. Under the general direction of the Director of the Office of American Republic Affairs (ARA), CAB shall be responsible for the formulation and coordination of over-all United States policy and action in regard to all aspects of the relations of the United States with countries in the area of responsibility; and, as to these countries, the coordination of the programs and activities of other Divisions and Offices of the Department and of other Governmental agencies with over-all United States foreign policy.

<sup>1</sup>The Division of Caribbean and Central American Affairs was abolished as of Sept. 25, 1946.

**II AREA OF RESPONSIBILITY.** The area of responsibility of CAB shall be as follows: Cuba, Haiti, Dominican Republic, the Guianas, and the colonial islands in the Caribbean area. These colonial islands include Puerto Rico and the Virgin Islands which are administered under the United States Department of the Interior, and island possessions of the British, French, and Dutch Governments. Jurisdiction with respect to the non-United States colonial possessions is shared with the appropriate Divisions of the Office of European Affairs (EUR).

**193.1 Liquidation of Activities in Connection With the Terminated Office of Inter-American Affairs (OIAA), Inter-American Navigation Corporation (IANC), Prencinradio, Inc. (PCR), and Institute of Inter-American Transportation (IIAT).** (Effective 5-20-46)

**I** Executive Order 9710 of April 10, 1946, effective as of the opening of business, May 20, 1946, terminated the Office of Inter-American Affairs (OIAA) and all of its functions, except the duty of winding up any affairs relating to the Office and its functions which remained unliquidated on the effective date, and the functions of the Director of the Office with respect to the corporations named below.<sup>1</sup> The duty of winding up the affairs of the Office and the functions of the Director with respect to the corporations, together with the records, property, funds and the personnel of the Office remaining on the effective date, were transferred to the Secretary of State.

**II** The liquidation of the affairs of the terminated Office will be carried on to completion, under the general supervision and control of the Secretary of State, represented by a committee composed of Messrs. Charles H. Lee, Joseph Panuch, George C. McGhee, and Kenneth Holland of the Department. By delegation of authority effective June 30, 1946, the Secretary designated certain individuals (who are officers of the Institute of Inter-American Affairs) familiar with the transactions involved as Acting Officer in Charge of the liquidation and as Fiscal Officer for Liquidation. Subject to the policy control of the committee, the responsibility of these officers includes determinations for the conduct of administrative matters, the execution and modification of contracts, and grants-in-aid, the disposition of records and files, and the necessary fiscal functions, including certification of vouchers payable against the funds transferred to the Secretary of State, maintenance of necessary accounting records, rendition of required accounting and other fiscal reports and statements, requisition of disbursing funds, and obtaining and processing fiscal and performance reports under contracts and grants-in-aid. Whenever consolidated reports or other information is required by the Treasury Department, Budget Bureau, General Accounting Office, other Government agencies or the Congress, relating to the appropriations involved, the reports and information will be furnished or cleared through the Office of Budget and Finance (OBF) of the Department.

**III** The Secretary of State succeeded to the functions of the Director of OIAA with respect to the following named corporations:

**A Corporations Continuing in Active Operations.** The Institute of Inter-American Affairs (IIAA) and the Inter-American Educational Foundation, Inc., (IAEF) will continue to carry out existing programs. Their functions, organization, management and relationship to the Department are described generally in Departmental Regulations 193.2 and 193.3.

**B Corporations in Liquidation.**

**1 General Description**

**a** The Inter-American Navigation Corporation (IANC). This stock corporation carried on a program for supplementing existing shipping facilities in the Latin American trades. It has been dissolved and its three-year liquidation period ends in February 1947.

**b** Prencinradio, Inc. (PCR). This membership corporation carried out certain radio and motion picture projects in the other American republics. It has been dissolved and its three-year liquidation period will end in May 1949.

**c** The Institute of Inter-American Transportation (IIAT). This stock corporation carried out the terms of a cooperative agreement with the Republic of Mexico to rehabilitate and improve the operating efficiency of certain key sections of the National Railways of Mexico, and is in the process of being dissolved. After dissolution, it will be in liquidation for a period of three years.

**2 Management, Administration and Clearance**

**a** The Boards of Directors of these three corporations are composed of a representative from the offices of the Assistant Secretaries of State for American Republic Affairs, Economic Affairs, Public Affairs, and Administration, and one or more officials from each corporation, and have full powers, control, and management of the corporations, including authority to wind up their affairs and effect their final dissolution and liquidation. The officers of each corporation are elected by the Board of Directors and carry out the operations of these entities in accordance with the directives, orders, and resolutions of their Boards.

**b** Each of the corporations operates as an independent entity with its administrative services (personnel, legal, fiscal, budget, and so forth) and other general services being performed in the United States and in the other American republics through the facilities of IIAA.

**c** All formal policy communications between the Department and each corporation will clear through the office of the Assistant Secretary for American Republic Affairs; otherwise, existing liaison relationships and communication channels between each corporation and offices of the Department concerned with its operations remain unchanged.

<sup>1</sup> BULLETIN of Apr. 21, 1946, p. 685.

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## Contributors

The German documents in this issue were selected and translated by J. S. Beddie, an Officer in the Division of Historical Policy Research, Office of Public Affairs, Department of State.

Harlan P. Bramble, author of "A National Rubber Program", is Commodity Specialist, Division of International Resources, Office of International Trade Policy, Department of State.

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*The Department of State* bulletin

VOL. XV, No. 382 · PUBLICATION 2667

October 27, 1946

## *Contributors*

The new cover, internal arrangement, and format of the BULLETIN, introduced with the issue of October 6, were planned and designed by Mrs. Ruth Robbins Schein, Senior Designer in the Presentation Division, Office of Departmental Administration, Department of State.

Frances R. P. McKeynolds, author of the article on the Caribbean tourist conference, is Chief of the Research Unit, United States Section, Caribbean Commission.

H. Van Zile Hyde, author of the article on the meetings of the International Health Organization, is Assistant Chief, Health Branch, Division of International Labor, Social and Health Affairs, Office of International Trade Policy, Department of State.

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, 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.*

For sale by the Superintendent of Documents  
U. S. Government Printing Office  
Washington 25, D. C.

SUBSCRIPTION:  
52 issues, \$3.50; single copy, 10 cents  
Special offer: 13 weeks for \$1.00  
(renewable only on yearly basis)

Published with the approval of the  
Director of the Bureau of the Budget

## THE CARIBBEAN PLANS FOR TOURISTS

by Frances R. P. McReynolds

*A vigorous international effort to bring tourists to the Caribbean area was recommended recently by a conference of 15 Caribbean countries and territories. The "Caribbean Tourist Development Association", comprised of the official tourist bureaus of each government, will be an area-wide promotional, coordinating, and liaison body. Developing and publicizing the Caribbean as a region will bring an estimated 600,000 visitors a year, and these vacationists will spend approximately \$60,000,000 annually in the area.*

Articles of incorporation establishing a regional Caribbean Tourist Development Association were agreed upon by 15 governments of the Caribbean area at a conference held in New York in October under the auspices of the Caribbean Commission. Formal ratification by the governments concerned is now required in order to bring the organization into being.

Formed as a non-profit organization, it will be composed of the official tourist bureaus of the various Caribbean governments. Although the conference was sponsored by the Caribbean Commission, whose membership comprises France, the Netherlands, the United Kingdom, and the United States, none of the four metropolitan countries will be members of the new organization.

The Association is designed to encourage and assist in the development of tourist industries on a region-wide basis. It will provide the instrument through which close collaboration among the territories and countries and liaison with private capital can be maintained. It will help in procuring transportation services to and tourist amenities within the region. Further, it will furnish expert advisory services on such matters as hotel construction and operation and will assist members in obtaining necessary materials and supplies for tourist development programs. Advertising and publicity measures will be coordinated to focus the attention of the traveling public upon the West Indies

as one of the world's outstanding vacation spots. For the benefit of all members the central organization will carry out statistical and research work relating to travel trends and tourist development.

A principle laid down by the Association is that the facilities of the Caribbean will be freely accessible to all visitors without distinction of race, color, or creed.

In addition to the active members, consisting of the official governmental organization for the promotion of tourism in each country, the articles of agreement made provision for two other classes of members, allied and associate, which will include persons or firms domiciled respectively within or without the Caribbean area.

As a preliminary financial measure, the Association will have an annual budget of not less than \$200,000 a year, including funds for advertising and public-relations activities. Contributions to the fund will be assessed from the Caribbean countries and territories on an agreed *pro rata* basis. When 50 percent of the total annual budget has been subscribed, the Association will be incorporated. An interim committee, composed of representatives of Cuba, Haiti, the Dominican Republic, and the four national sections of the Caribbean Commission, will function until the Association has been formally created.

The management of the business and property

of the Association is to be vested in the active members with the administrative details handled by an Executive Vice-President-Manager. The presidency will be an honorary position. Provision was made for an Advisory Council, representative of all national groups involved, to assist in the management.

One delegate with advisers attended from each of the independent republics of Cuba, Haiti, and the Dominican Republic, and from the following Caribbean territories: *France*—Martinique, Guadeloupe, French Guiana; *Netherlands*—Curacao, Surinam; *United Kingdom*—British Guiana, Jamaica, Leeward Islands, Trinidad, Windward Islands; *United States*—Puerto Rico, the Virgin Islands.

The conference was typical of the purposes of the Caribbean Commission in encouraging the overseas territories of the member nations to cooperate among themselves and to consider questions from the regional rather than from the local aspect. A wide-scale development of the tourist industry will bring economic benefits to the entire area. It is significant that the three independent republics in the Caribbean Sea sent delegates to the conference and are cooperating with the territorial governments in this regional program.

The conference was unusual among international gatherings. Here, 3 independent countries

and 12 overseas territories under the flags of 4 nations met in an inspiring spirit of cooperation. Their successful and definitive results demonstrated their desire to work together on common and regional objectives which transcend political boundaries. Even the procedure adopted was unusual. After the opening ceremonies, the conference resolved itself into a committee of the whole and proceeded to work as a conference in committee. This arrangement, for a small technical conference devoted to a specific subject, proved highly successful. It facilitated interchange of ideas, expedited discussions, and served to weld the conferees into a unit where questions of national representation among the seven nationalities were avoided.

The conference is another milestone in the progress of the Caribbean Commission in assisting and encouraging the regional approach to common problems in the area. In the four and one-half years of its existence, it has shown to the peoples of the Caribbean that a coordinated attack on their problems is the most effective approach. Examples of such action are evident in the fields of shipping, public health and quarantine, research, agricultural diversification, and joint surveys in exploiting fishing possibilities. The tourist association will be another such joint program for the benefit of all peoples of the area.

#### CERTIFICATE OF INCORPORATION OF CARIBBEAN TOURIST DEVELOPMENT ASSOCIATION<sup>1</sup>

We, the undersigned, in order to form a Corporation for the purpose hereinafter stated, under and pursuant to the provisions of the General Corporation Law of the State of Delaware, do agree to become the original members of the Corporation as herein set forth, and do hereby certify as follows:

**FIRST:** The name of the Corporation is Caribbean Tourist Development Association.

**SECOND:** The principal office of the Corporation (hereinafter called the "Association") is to be located in the City of Dover, County of Kent, in the State of Delaware. The name of its resident agent is United States Corporation Company, whose address is 19-21 Dover Green, in said city of Dover.

**THIRD:** The objects or purposes to be transacted, promoted, or carried on by the Association are as follows:

1. To encourage and assist in the development of the tourist industries throughout the Caribbean area by:

(a) Providing an instrument for close collaboration among the various territories and countries concerned.

(b) Augmenting and assisting local promotional and development efforts of the members of the Association and acting as liaison between the members and sources of capital for development projects.

(c) Providing a liaison between the tourist and travel industry and the members.

(d) Carrying out advertising and publicity measures calculated to focus the attention of the travelling public upon the Caribbean as one of the world's outstanding vacation areas.

(e) Encouraging the promotion of adequate passenger transportation services to and within the Caribbean area, and undertaking negotiations to procure or assist in the establishment of such additional services.

(f) Providing expert advisory services on matters relating to hotel construction and operation, the provision of tourist amenities and all other aspects of the tourist industry in the Caribbean area including assistance to the Active Members in obtaining the necessary materials and

<sup>1</sup> Appendix III of Report of the Committee on the Caribbean Tourist Conference (Doc. 23, G/23).

supplies for the development of hotels and other tourist facilities.

(g) Carrying out statistical and research work relating to travel trends and tourist development for the benefit of the members.

2. In the accomplishment of the foregoing objects and purposes, to accept as a principle of the Association that the opportunity for enjoyment of the facilities of the Caribbean area be as fully accessible to the Caribbean peoples themselves as to visitors without distinction of race, colour or creed.

3. So far as may be necessary or incidental to the carrying out of the foregoing objects and purposes, to receive, acquire, hold, own, mortgage, pledge and dispose of moneys, securities and any other property, real, personal or mixed, including the taking and holding thereof by governmental appropriation, gift, bequest, devise, purchase, lease or otherwise and without limit as to amount or value except such as is now or may hereafter be prescribed by law.

4. To enter into, make, perform and carry out contracts of every kind for any of the objects and purposes hereinbefore set forth, without limit as to amount, with any country, territory or other governmental unit or with any agency thereof or with any person, firm, association, corporation or other entity of any country, territory or other governmental unit; to have one or more offices in any part of the world.

5. To do all and everything necessary, suitable and proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers hereinbefore set forth, and to do every other act or acts, thing or things incidental or appurtenant to or growing out of or connected with the aforesaid objects or purposes or any part or parts thereof, provided the same be not inconsistent with the laws under which the Association is organized.

The Association is to be conducted and operated not for profit and the foregoing objects, purposes and powers are each and all subject to the limitation that no part of the net earnings of the Association, if any, shall inure to or be payable to or for the benefit of any member thereof or to any individual.

**FOURTH:** The Association shall have no authority to issue Capital Stock.

**FIFTH:** The names and places of residence of each of the incorporators, who shall be the original members of the Association are as follows:

<i>Name</i>	<i>Address</i>
-------------	----------------

(Note: Any number of persons, not less than three, may act as incorporators of the Association. Nominees not connected with the Association may be incorporators and their connection with the Association will terminate on the completion of the incorporation (see last sentence of Article Eighth, paragraph 4)).

**SIXTH:** The Association is to have perpetual existence.

**SEVENTH:** The private property of the members and officers of the Association shall not be subject to the payment of the Association's debts to any extent whatever.

**EIGHTH:** The conditions of membership in the Association are as follows:

1. There shall be three classes of members of the Association:

(a) Active members consisting of:

(1) The official organization for the promotion of tourism designated by the Government of each of the following countries and territories or, in lieu thereof, the appropriate government agency of such country or territory:

Barbados	Martinique
British Guiana	Puerto Rico
Cuba	Surinam
Curaçao	Trinidad and Tobago
Dominican Republic	Virgin Islands of the United States
French Guiana	Windward Islands [Grenada, St. Vincent, St. Lucia, Dominica]
Guadeloupe	
Haiti	
Jamaica	
Leeward Islands	

Of the foregoing, the following organizations or government agencies have signified their intention of becoming active members of the Association and shall become such upon the filing of the Certificate of Incorporation and payment to the Association of the contributions specified in paragraph 5 of this Article.

(Here list organizations or government agencies that have already joined indicating which Territories are represented by the organizations named)

Official organizations or government agencies of each of the above countries or territories which have not yet specified their intention of becoming active members of the Association shall become active members upon receipt by the Association of written application requesting membership and the payment to the Association of the contribution for such active member specified in paragraph 5 of this Article.

(2) The official organization for the promotion of tourism designated by the government of any other country or territory, or in lieu thereof, the appropriate government agency of such country or territory. Membership of any such organization or government agency shall be by invitation of the Association and membership shall commence upon the receipt by the Association of the acceptance of such invitation by the official organization or government agency, payment to the Association of such contributions as shall be assessed for such members and the fulfillment of any other conditions which may be prescribed by the by-laws.

(b) Allied members, consisting of local organizations, firms or individuals domiciled within the Caribbean area.

(c) Associate members, consisting of organizations, firms or individuals domiciled without the Caribbean area.

2. Allied or associate membership shall be by invitation of the Association or by application, and shall commence upon the receipt by the Association of acceptance of the invitation or upon approval of the application by the Association, payment to the Association of such contributions as shall be assessed for such members and upon the fulfillment of any other conditions that may be prescribed by the by-laws.

3. Each active member shall have one vote at all meetings of the Association. Allied and associate members shall not be entitled to vote at, to notice of, to participate in, or attend any meeting of the Association but may attend such meetings upon such terms and conditions as may be prescribed in the by-laws.

4. Members of the Association of any classification may withdraw therefrom at any time by giving one year's prior written notice to the Association. The membership of any member shall likewise terminate upon failure to pay its annual membership contribution six months after the date when such contribution was due unless extended by vote of the Active Members provided written notice of payment having fallen due was given. The termination of membership from any cause whatsoever shall operate as a release and termination of all right, title and interest in the property and assets of the Association, but members shall continue to be liable to the Association for any indebtedness due upon the termination of membership. The membership of the persons who subscribed to the Certificate of Incorporation shall terminate at the conclusion of the organization meeting of the incorporators.

5. For the purpose of establishing a joint fund for the operation of the Association, the active members, consisting of official organizations of any of the following countries or territories or the governments thereof, shall contribute annually for the first and second complete fiscal years, the following sums, payable in cash:

Cuba.....	\$25,000
Dominican Republic.....	25,000
Jamaica.....	25,000
Puerto Rico.....	25,000
Barbados.....	20,000
Trinidad & Tobago.....	20,000
Curacao.....	10,000
Haiti.....	10,000
Martinique.....	10,000
Virgin Islands of U.S.A.....	10,000
British Guiana.....	4,000
French Guiana.....	4,000
Guadeloupe.....	4,000
Leeward Islands.....	4,000
Surinam.....	4,000
Windward Islands.....	4,000
	\$204,000

The foregoing contributions shall remain in force annually unless modified by vote of a majority of the active members with the approval of the active member or members concerned. *Pro rata* contributions shall be payable for the period from the beginning of membership to the beginning of the next fiscal year. Contributions shall be payable in advance in U.S. dollars or as may be specified by a majority of the active members. The annual contributions of other active members and of the allied and associate members shall be determined, prior to their becoming members of the Association, by the active members.

6. The Association may establish and put into effect such further rules, regulations and orders governing admission to membership, termination of membership and duties and obligations of members as the by-laws shall from time to

time provide, and as shall not be inconsistent with Sections 1 through 4 of this Article.

#### NINTH:

1. The management of the business, property and affairs of the Association shall be vested in the active members. Each active member shall have one vote. Each active member shall appoint and authorize a person who shall represent such member at all meetings of the Association and to whom all notices required to be given to members may be sent. The Association shall be entitled to recognize such person as the representative of the member until notified in writing by the member of his removal. All notices to the Association shall be sent to it at ----- Such representatives may attend meetings of the active members in person or be represented thereat by his duly appointed proxy or alternate who may act and vote in place of such representative. Any Active Member may in the instrument appointing its representative provide that such representative shall not have power to appoint a proxy or alternate.

2. The Active Members and officers shall be assisted in the management of the Association by an Advisory Council consisting of the President of the Association and seven persons designated annually. Each of the seven national groups represented among the active membership of the Association shall designate at the annual meeting of the Association one person to serve on the Advisory Council. If additional active members are elected representing nationalities other than those now represented in the Active Membership, such an additional national group shall be entitled to designate a member of the Advisory Council, the number of which shall be automatically increased to permit of such addition. The duties of the Advisory Council shall be prescribed in the By-Laws.

TENTH: The Caribbean Commission shall be invited to participate in the meetings of the Association and of the Advisory Council without the right to vote.

ELEVENTH: In the event of the liquidation, dissolution or winding-up of the Association, either voluntary or involuntary, or by operation of law, the active members shall have the power to dispose of the total assets of the Association in such manner as they, in the exercise of an absolute and uncontrolled discretion, may by a majority vote determine; provided, however, that such distribution shall be calculated exclusively to carry out the objects and purposes for which the Association is formed and shall not result in the distribution of any part of the net earnings of the Association for the benefit of any private individual.

TWELFTH: This Certificate of Incorporation may be amended upon (1) the adoption of a resolution of the Advisory Council favoring such amendment and (2) the approval of such amendment by vote of two-thirds of the active members at a meeting duly convened and held as prescribed by the by-laws, provided that no such amendment shall permit the application of any part of the net earnings of the Association to any private individual.

If the Active Members shall have approved such Amendment herein provided prior to action thereon by the Advisory Council, then the Advisory Council shall meet within 30 days and take the action necessary to make such amendment effective.

## THE PARIS PEACE CONFERENCE

### Report on the Paris Peace Conference

#### ADDRESS BY THE SECRETARY OF STATE<sup>1</sup>

It is now 15 months since the decision was reached at Potsdam to set up the Council of Foreign Ministers to start the preparatory work on the peace treaties with Italy, Bulgaria, Rumania, Hungary, and Finland.

Those months have been hard, difficult months.

At the Council of Foreign Ministers and at the Paris Peace Conference your representatives were a united and harmonious delegation acting under the guidance and instructions of the President of the United States. The difficult tasks were immeasurably lightened by the splendid work and cooperation of my associates, Senator Connally, Democratic chairman of the Foreign Relations Committee, and Senator Vandenberg, spokesman for the Republican Party in foreign affairs. In the Conference we have represented no political parties. We have been united in representing the United States.

After every great war the victorious allies have found it difficult to adjust their differences in the making of peace. Even before the fighting stopped, President Roosevelt warned us that

“The nearer we came to vanquishing our enemies the more we inevitably became conscious of differences among the allies.”

That was why President Roosevelt was so insistent that the United Nations should be established before the peace settlements were made.

It was inevitable that in the making of concrete peace settlements the Allies should discuss and debate the issues on which they disagree and not those on which they agree. It was also inevitable

that such discussions should emphasize our differences.

That is one reason I have continuously pressed to bring about agreements upon the peace settlements as rapidly as possible.

Leaving unsettled issues which should be settled only serves to increase tension among the Allies and increase unrest among the peoples affected.

We cannot think constructively on what will or will not contribute to the building of lasting peace and rising standards of life until we liquidate the war and give the peoples of this world a chance to live again under conditions of peace.

It is difficult to deal with the problems of a convalescing world until we get the patient off the operating table.

These treaties are not written as we would write them if we had a free hand. They are not written as other governments would write them if they had a free hand. But they are as good as we can hope to get by general agreement now or within any reasonable length of time.

Our views on reparations are different from the views of countries whose territories were laid waste by military operations and whose peoples were brought under the yoke of alien armies and alien gestapos.

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<sup>1</sup>Delivered by radio from Washington on the occasion of the return of Secretary Byrnes from the Paris Peace Conference, which took place from July 29 to Oct. 15. The address was broadcast over the national network of the National Broadcasting System, stations WOL and WOR of the Mutual Broadcasting System, and stations WWDC and WINX of Washington, on Oct. 18 and released to the press on Oct. 19.

The reparation payments are heavy—excessively heavy in some cases. But their burdens should not be unbearable if the peoples on which they are laid are freed from the burdens of sustaining occupying armies and are given a chance to rebuild their shattered economic lives.

For Europe with her mingled national economies there are no ideal boundary settlements.

The proposed settlement for the Trieste area was long and warmly debated. The Conference approved the proposal of the Council of Foreign Ministers that this area should become a free territory under the protection of the United Nations. The Conference also by a two-thirds vote made recommendations for an international statute defining the responsibilities of the United Nations in relation to the free territory. Such recommendations are an expression of world opinion and cannot be arbitrarily disregarded.

Those recommendations of the Conference provide that the governor appointed by the Security Council should have sufficient authority to maintain public order and security, to preserve the independence and integrity of the territory, and to protect the basic human rights and fundamental freedoms of all the inhabitants.

The minority proposal which was supported by the Soviet Union, Yugoslavia, and other Slav countries would have made a figurehead of the United Nations governor and would have given Yugoslavia virtual control of the customs, currency, and foreign affairs of the territory. Certainly we could not agree to that. It would make the territory a protectorate of Yugoslavia and would leave the United Nations powerless to prevent it becoming a battleground between warring groups. There must be no seizure of power in Trieste after this war as there was in Fiume after the last war.

The Yugoslav Delegation advised the Conference it would not sign the treaty recommended. My hope however is that after consideration Yugoslavia will realize that just as other states have made concessions she must make concessions in order to bring about the peace.

Although the Council of Foreign Ministers were unable to agree to any change in the Austrian-Italian frontier, the representatives of Austria and Italy at Paris were encouraged by the American Delegation to reach an agreement which

should help to make the South Tyrol a bond rather than a barrier between the two peoples.

It is my earnest hope that Czechoslovakia and Hungary and Rumania and Hungary may find by common agreement somewhat similar solutions to their complicated nationality problems on the basis of working together as friends and as neighbors. We in America know that people of many different races and stocks can live together in peace in the United States. They should be able to live together in peace in Europe.

At Potsdam in the summer of 1945 President Truman stressed the importance of providing for free navigation of the great international rivers in Europe on terms of equality for the commerce of all states.

President Truman was not seeking any special advantage for the United States. He was seeking to promote peace. He was seeking to ensure that these great waterways should be used to unite and not divide the peoples of Europe.

The Delegations representing the Soviet Republic and the Slav countries have vigorously opposed the proposal.

The Paris Conference recommended by a two-thirds vote that the treaties should ensure freedom of commerce on the Danube on terms of equality to all states.

I hope that when the Foreign Ministers meet we can agree upon the adoption of this recommendation.

In recent weeks much has been said about acrimonious debates and the divisions in the Paris Conference. Back of those debates and divisions were real and deep differences in interest, in ideas, in experience, and even in prejudices.

Those differences cannot be dispelled or reconciled by a mere gloss of polite words. And in a democratic world those differences cannot and should not be kept from the peoples concerned.

In a democratic world, statesmen must share with the people their trials as well as their triumphs.

It is better that the world should witness and learn to appraise clashes of ideas rather than clashes of arms.

If this peace is to be lasting, it must be a people's peace; and the peoples of this world who long for peace will not be able to make their influence felt if they do not know the conflict in ideas and

in interest that give rise to war, and if they do not know how the statesmen and the peoples of other countries view those conflicts.

But it is our hope that in international democracy, as in national democracy, experience will prove that appeals to reason and good faith which unite people count for more in the long run than appeals to prejudice and passion which divide people.

In a world where no sovereign state can be compelled to sign or ratify a peace treaty, there is no perfect peacemaking machinery. Where boundaries, colonies, and reparations are involved, a peace treaty cannot be made effective unless it is satisfactory to the principal powers.

Under these circumstances the Paris Conference provided as adequate an opportunity for the smaller states and the ex-enemy states to express their views on the proposed treaties as it was practical to provide.

The thing which disturbs me is not the lettered provisions of the treaties under discussion but the continued if not increasing tension between us and the Soviet Union.

The day I took office as Secretary of State I stated that "the supreme task of statesmanship the world over is to help the people of this war-ravaged earth to understand that they can have peace and freedom only if they tolerate and respect the rights of others to opinions, feelings and ways of life which they do not and cannot share."

It is as true now as it was then that the development of sympathetic understanding between the Soviet Union and the United States is the paramount task of statesmanship.

Such understanding is necessary to make the United Nations a true community of nations.

From the Potsdam Conference, which took place at the beginning of his administration, President Truman and I have worked and we shall continue to work to bring about an understanding with the Soviet Government.

Two states can quickly reach an understanding if one is willing to yield to all demands. The United States is unwilling to do that. It is equally unwilling to ask it of another state.

Every understanding requires the reconciliation of differences and not a yielding by one state to the arbitrary will of the other.

Until we are able to work out definite and agreed

standards of conduct such as those which govern decisions within the competence of the International Court of Justice, and such as those which we hope may be agreed upon for the control of atomic energy, international problems between sovereign states must be worked out by agreement between sovereign states.

But if states are to reach such agreements they must act in good faith and in the spirit of conciliation. They must not launch false and misleading propaganda against one another.

They must not arbitrarily exercise their power of veto, preventing a return to conditions of peace and delaying economic reconstruction.

No state should assume that it has a monopoly of virtue or of wisdom. No state should ignore or veto the aggregate sentiments of mankind.

States must not unilaterally by threats, by pressures, or by force disturb the established rights of other nations. Nor can they arbitrarily resist or refuse to consider changes in the relationships between states and peoples which justice, fair play, and the enlightened sentiments of mankind demand.

We must cooperate to build a world order, not to sanctify the *status quo*, but to preserve peace and freedom based upon justice.

And we must be willing to cooperate with one another—veto or no veto—to defend, with force if necessary, the principles and purposes of the Charter of the United Nations.

Those are the policies we have pursued. In following those policies we have been criticized at times for being too "soft" and at times for being too "tough". I dislike both words. Neither accurately describes our earnest efforts to be patient but firm.

We have been criticized for being too eager to find new approaches after successive rebukes in our efforts to effectuate our policies. And we have likewise been criticized for not seeking new approaches. We will not permit the criticism to disturb us nor to influence our action.

We will continue to seek friendship with the Soviet Union and all other states on the basis of justice and the right of others, as well as ourselves, to opinions and ways of life which we do not and cannot share.

But we must retain our perspective.

We must guard against the belief that deep-rooted suspicions can be dispelled and far-reaching differences can be reconciled by any single act of faith.

The temple of peace must be built solidly, stone upon stone. If the stones are loosely laid, they may topple down upon us.

We must equally guard against the belief that delays or set-backs in achieving our objective make armed conflict inevitable. It is entirely possible that the failure or inability of the Soviet leaders to rid themselves of that belief lies at the very root of our difficulties. We will never be able to rid the world of that belief if we ourselves become victims to it.

For centuries devout men and women thought it was necessary to fight with one another to preserve their different religious beliefs. But through long and bitter experience they learned that the only way to protect their own religious beliefs is to respect and recognize the rights of others to their religious beliefs.

War is inevitable only if states fail to tolerate and respect the rights of other states to ways of life they cannot and do not share. That is a truth we must all recognize.

Because in the immediate aftermath of war our efforts to induce nations to think in terms of peace and tolerance seem to meet with rebuff, we must not lose faith. What may be unrealizable now may be realizable when the wounds of war have had a chance to heal.

We must not lose faith nor cease to struggle to realize our faith, because the temple of peace cannot be completely built in a month or a year.

But if the temple of peace is to be built the idea of the inevitability of conflict must not be allowed to dominate the minds of men and tear asunder a world which God made one.

It is that idea of the inevitability of conflict that is throttling the economic recovery of Europe. It is that idea that is causing artificial tensions between states and within states.

The United States stands for freedom for all nations and for friendship among all nations. We shall continue to reject the idea of exclusive alliances. We shall refuse to gang up against any state.

We stand with all peace-loving, law-abiding

states in defense of the principles of the Charter of the United Nations.

Any nation that abides by those principles can count upon the friendship and cooperation of the United States, irrespective of national differences or possible conflict of interests.

No country desires unity among the principal powers more than we or has done more to achieve it. But it must be unity founded on the Charter and not unity purchased at its expense.

We deplore the tendency upon the part of the Soviet Union to regard states which are friendly to us as unfriendly to the Soviet Union and to consider as unfriendly our efforts to maintain traditionally friendly relations with states bordering on the Soviet Union.

We deplore the talk of the encirclement of the Soviet Union. We have it from no less authority than Generalissimo Stalin himself that the Soviet Union is in no danger of encirclement.

During the war the Baltic states were taken over by the U.S.S.R. The Polish frontier and the Finnish frontier have been substantially modified in Russia's favor. Königsberg, Bessarabia, Bukovina, and Ruthenia are to be given to her. In the Pacific, the Kuriles, Port Arthur, and Sakhalin have been assigned to her. Certainly the Soviet Union is not a dispossessed nation.

We know the suffering and devastation which Nazi aggression brought to the Soviet Union. The American people came to the support of the Soviet Union even before the United States was attacked and entered the war. Our people were allies of the Soviet people during the war. And the American people in time of peace desire to live on terms of friendship, mutual helpfulness, and equality with the Soviet people.

Before the Paris Peace Conference the United States spared no effort to reconcile its views on the proposed treaties with the views of the Soviet Union. Indeed it was the Soviet Union which insisted that our views be reconciled on all questions which the Soviet Union regarded as fundamental before they would consent to the holding of the Conference.

If, therefore, in the Conference we differed on some questions, they were not questions that were fundamental from the Soviet viewpoint.

While there were many issues which attracted

little public attention on which the Soviet Union and the United States voted together, it was regrettable that on many issues which did command public attention the Soviet Union and the newly established governments in central and south-eastern Europe voted consistently together against all the other states.

Whatever considerations caused this close alignment of the Soviet Union and her Slav neighbors on these issues, other states were not constrained to vote as they did by any caucus or bloc action.

It requires a very imaginative geographic sense to put China or Ethiopia into a Western bloc. And it was quite evident to discerning observers at Paris that not only China and Ethiopia, but Norway and France were particularly solicitous to avoid not only the fact, but the suspicion, of alliance with any Western bloc.

If the voting cleavage at Paris was significant, its significance lies in the fact that the cleavage is not between the United States and the Soviet Union, or between a Western bloc and the Soviet Union. The cleavage is based upon conviction and not upon strategy or hidden design.

I should be less than frank if I did not confess my bewilderment at the motives which the Soviet Delegation attributed to the United States at Paris. Not once, but many times, they charged that the United States had enriched itself during the war, and, under the guise of freedom for commerce and equality of opportunity for the trade of all nations, was now seeking to enslave Europe economically.

Coming from any state these charges would be regrettable to us. They are particularly regrettable when they are made by the Soviet Government to whom we advanced more than 10 billion dollars of lend-lease during the war and with whom we want to be friendly in time of peace.

The United States has never claimed the right to dictate to other countries how they should manage their own trade and commerce. We have simply urged in the interest of all peoples that no country should make trade discriminations in its relations with other countries.

On that principle the United States stands. It does not question the right of any country to debate the economic advantages or disadvantages of that principle. It does object to any government charging that the United States enriched itself

during the war and desires to make "hand-outs" to European governments in order to enslave their peoples.

Long before we entered the war President Roosevelt took the dollar sign out of the war. He established lend-lease as the arsenal of democracy and opened that arsenal to all who fought for freedom. Europe did not pay and was not asked to pay to build or to replenish that arsenal. That was done with American labor and American resources.

The lend-lease settlements inaugurated by President Roosevelt have been faithfully and meticulously carried out by President Truman.

We want to assist in European reconstruction because we believe that European prosperity will contribute to world prosperity and world peace. That is not dollar democracy. That is not imperialism. That is justice and fair play.

We in America have learned that prosperity like freedom must be shared, not on the basis of "hand-outs," but on the basis of the fair and honest exchange of the products of the labor of free men and free women.

America stands for social and economic democracy at home and abroad. The principles embodied in the social and economic reforms of recent years are now a part of the American heritage.

It would be strange indeed if in this imperfect world our social and economic democracy were perfect, but it might help our Soviet friends to understand us better if they realized that today our social and economic democracy is further away from the devil-take-the-hindmost philosophy of by-gone days than Soviet Russia is from Tsarist Russia.

Whatever political differences there may be among us, we are firmly and irrevocably committed to the principle that it is our right and the right of every people to organize their economic and political destiny through the freest possible expression of their collective will. We oppose privilege at home and abroad. We defend freedom everywhere. And in our view human freedom and human progress are inseparable.

The American people extend the hand of friendship to the people of the Soviet Union and to all other people in this war-weary world. May God grant to all of us the wisdom to seek the paths of peace.

## U.S. Supports Bilateral Negotiations On Magyar Minority Problem

REMARKS BY AMBASSADOR SMITH<sup>1</sup>

The United States is glad to support the new proposal of Czechoslovakia to be inserted after article 4 and providing for bilateral negotiations with Hungary to solve the minority problem. This was substituted for the original Czechoslovak amendment, which would have authorized the forced transfer of a maximum of 200,000 persons of Magyar ethnic origin, as the United States Delegation made clear in the meetings of the Hungarian Commission. We sympathized with the motives behind the Czechoslovak desire to solve this minority problem once and for all, but for humanitarian reasons we could not look with favor on incorporating into a treaty of peace the principle of a forced unilateral transfer of population. The United States consistently supported the view that the subject was one for bilateral negotiations between the two countries concerned and that any solution of the minority problem which was not based on a mutually satisfactory agreement would remain a source of future friction between them and hamper the growth of friendly relations which

is so necessary for the peaceful development of central Europe. We also believe that the principle of voluntary transfer should be stressed to the utmost and that every effort should be made—through minor territorial adjustments if necessary—to reduce to a minimum the number of people to be uprooted from the land on which in many cases they and their ancestors have been living for generations.

By not pressing for its original amendment, the Czechoslovak Government showed its desire to act in a conciliatory spirit. Certainly all members of the Conference will follow with the keenest interest the course of these negotiations. Meanwhile, I feel sure that an atmosphere of good-will will be created by use of restraint in the treatment of those who are now eligible for exchange or who may be transferred by mutual agreement in the future.

Successful conclusion of an agreement between Czechoslovakia and Hungary would lead the United States to hope that Hungary and Rumania might also seek through bilateral negotiations to solve some of their outstanding differences.

## U.S. Proposes Reduction in Finnish Reparations

REMARKS BY SENATOR VANDENBERG<sup>2</sup>

MR. PRESIDENT:

I have heard a great deal from this rostrum about justice and fair play for small nations. It is on this account that I raise my voice today, in behalf of the United States Delegation, for one of the smallest. I do not speak emotionally, although the subject might lend itself to such an appeal. I do not speak with any forgetfulness of

the awful damage done to other small nations among our Allies as a result of Axis aggression, nor with any desire to take, from them or from any other Ally, one penny of the pitifully small percentage of reparations which it is wise for them to collect. I speak solely of relative mathematics, on the righteous theory that two wrongs do not make a right.

The United States was not at war with Finland, although our diplomatic relations were severed. The United States did not participate as a drafting power in the preparation of this peace treaty with Finland. With respect to this treaty, therefore, we share only a minimum responsibility, only a minimum right of consultation on the same min-

<sup>1</sup>Made at the plenary session on the Hungarian treaty at the Paris Peace Conference on Oct. 12 and released to the press on Oct. 14. Walter Bedell Smith is American Ambassador to the U.S.S.R.

<sup>2</sup>Made at the plenary session on the Finnish treaty at the Paris Peace Conference on Oct. 14 and released to the press on the same date. Senator Vandenberg is a member of the American Delegation to the Conference.

imum level with most of the other Allied countries sitting here today. I want to make this overriding fact entirely plain. We seek no authority which does not belong to us but we maintain a general right to speak upon this subject because of our participation with substantial military force in the war against the Axis throughout Europe. We will not be called upon to sign this treaty. We can only register here and now our great concern, lest it shall transgress the equity and justice which were the dedicated aims of our united arms.

The Delegation of the United States is disturbed, Mr. President, by the reparations provision in article XXII which sets the reparations to be paid by Finland at \$300,000,000. If we have been right in the reparations yardstick which we have applied to others, we must be wrong, it seems to us, in the yardstick which it is proposed to apply to little Finland. We all agree that it is no advantage to the victor to burden the vanquished in a measure which defeats reasonable and legitimate recuperation. America asks the Conference to objectively apply these precepts to article XXII in the pending draft.

When the Finnish Government submitted its treaty comments to this Conference on August 26, it earnestly requested that the amount of reparations be reduced from \$300,000,000 to \$200,000,000. It presented what to us was a completely persuasive argument. The fact that Finland has commenced faithfully to pay at the higher rate is no exhibit to the contrary. Finland has a long and honorable and unbroken record of scrupulous fidelity to her fiscal obligations. It is the equities with which we must be concerned. By any ordinary tests of comparison, Finland might be expected to pay about one third as much reparations as Rumania and perhaps one half that of Hungary. That she should be required to meet the rubber-stamp figure of \$300,000,000 seems to us to be unjust and ill-advised on the basis of the precepts to which I have previously referred.

Indeed the reparations burden on Finland is much greater than \$300,000,000 in its actual impact. As in all other cases except Italy, the reparations commodities are to be priced at 1938 price levels plus 10 percent or 15 percent, depending upon the commodity. The Finnish Government

has estimated that this pricing process means a total of reparations of 417,000,000 in 1944 dollars, and at present prices the estimate certainly would be over \$450,000,000.

Compare this with Finland's capacity to pay. We dare not forget Finland's reduced production capacity due to cession of territory, property damage and deterioration, reduced manpower, and a pronounced shortage of raw materials and electric power. We dare not forget that Finland's national income in 1945 was about \$500,000,000, about 60 percent of the pre-war figure. Her first reparation year's total uncompensated export was \$76,000,000 or 15 percent of the total national income.

I repeat, Mr. President, the fact that Finland has met her obligations is very much to her credit, but it should not be taken as proof that the obligations are just or that they can be met for the entire reparations period. The Finnish Government's own statement is perhaps the best possible presentation of the case:

"Finland is prepared to do all that is in her power in order to fulfill her obligations in respect of war reparations. However, she fervently hopes that the burden imposed on her be reduced so that the fulfillment of her obligations does not exceed her economic capacity and destroy the economic resources which, if they are preserved, can allow her to make her best contribution, not only to the reconstruction of her own recovery but also to that of the whole world."

In the light of this statement and in the presence of all these related facts, the United States Delegation not only is unable to support article XXII but feels obliged to vote against it, not only as a matter of conscience but also, and particularly, as a matter of relative equity and fair play. This adverse vote is not to be construed as complete opposition to all Finnish reparations. It is simply our only means of registering our conviction that it is unwise and unfair to put such a big burden on such a small country. It simply means, if we could have our way, that Finnish reparations will go back to the drafting powers for review before a final figure is set.

It may be asked why we do not raise the issue more directly by an amendment to reduce Finnish reparations from \$300,000,000 to \$200,000,000.

The answer is that we tried to do exactly that in the Economic Commission for the Balkans and Finland. We offered precisely that amendment, but because of procedural difficulties and a collision with the Commission's timetable our amendment was refused consideration. Therefore, the Economic Commission had no recourse except to deal with the matter on the same basis that we propose to deal with it here. As a result article XXII was approved by the Commission only by a vote of nine to four and for the reasons which I have here briefly set out in explanation of the American position.

It is our hope, Mr. President, that other nations in this full plenary session will wish now finally to write the record in the fashion proposed by the United States Delegation. We propose that article XXII be rejected. This will not mean, nor is it intended to mean, the end of all Finnish

reparations. It will mean only that the final drafting powers are petitioned to review the Finnish reparations figure in the light of these considerations.

In some previous speeches today the motives of the United States in this matter have been attacked in a pattern with which the Conference is entirely too familiar. Mr. President, the United States Delegation will leave its motives to the verdict of history in connection with the winning of the war and the writing of a just peace.

We decline to plead as defendants among Allies to whom we have given every ounce of cooperation in blood and treasure of which a great nation is capable.

But we shall continue, Mr. President, to speak for the American conception of justice and fair play in a better world toward which we hope and pray for a rebirth of the sympathetic unity which made our victory possible.

## U.S. Proposes Reduction in Hungarian Reparations

STATEMENT BY WILLARD L. THORP<sup>1</sup>

This meeting is for the purpose of discussing the Hungarian peace treaty. The United States Delegation does not feel that this is the appropriate time to discuss American motives and policies. Rather we feel that the limited time available to us calls for a sober, factual, and objective statement with specific reference to the Hungarian peace treaty.

The United States feels that it must call the attention of this Conference to article XXI of the Hungarian treaty, which fixes reparation to be paid by Hungary at \$300,000,000. At the Yalta Conference the Union of Soviet Socialist Republics, United Kingdom, and United States of America undertook a joint responsibility to assist the former Axis satellites to solve their economic problems. The economic problems of Hungary have not been solved.

We had hoped to be able to meet our responsibility through concerted action with the other two great powers in the direction of developing a program to stop the economic disintegration of Hungary and provide a framework within which Hungary might reestablish her economic life. Events have not taken this course and now the Hungarian Delegation has advised the Conference that its new international obligations are more than it can bear.

The least that we can do is to lay the problem on the Conference table so that the members of the Conference will consciously and explicitly share with us the responsibility for passing judgment upon the treaty provisions. Even without the Yalta obligation we would still be greatly concerned.

In his brilliant speech on Tuesday, Mr. Spaak used an exciting phrase, "collective prosperity". We all know that the extent of prosperity or depression is world-wide, that events in any one country reach out and have an impact on other countries. Economic collapse in one area drags down other areas, while economic activity breeds economic activity. The new international insti-

<sup>1</sup>Made at the plenary session concerning economic clauses in the Hungarian treaty at the Paris Peace Conference on Oct. 12 and released to the press on Oct. 14. Mr. Thorp is Deputy to the Assistant Secretary for economic affairs in the Department of State and is a member of the American Delegation to the Conference.

tutions are based upon the proposition that we all have an interest in promoting economic health throughout the world and in jointly achieving the goal of all economic operation, a rising standard of living.

What is the present economic situation in Hungary? The Conference has received from the Hungarian Government documents providing enough facts and analyses to make any further detailed statement unnecessary. National income estimated before the war at \$1,000,000,000 dropped to \$500,000,000 in the first post-armistice year. The optimistic estimate of the Hungarian Government for the fiscal year ending July 31, 1947 is \$620,000,000. In more specific terms, the level of operation in the first quarter of 1946 as compared with 1938 for the six cases cited by the Hungarian Delegation in their report was as follows:

	Percent of 1938
Metal working and machinery . . . . .	94.3
Leather and rubber . . . . .	12.6
Wood, tin, and plastic . . . . .	11.9
Textiles . . . . .	24.3
Clothing . . . . .	12.3
Processed food . . . . .	36.7

The one instance of a respectable level of operation is the metal-working and machinery industry, and that industry is producing largely on reparation account; otherwise the figures indicate virtually complete collapse.

Our estimates show that the total absorbed by the cost of occupation, requisition, and reparation is about 35 percent of the national income. With such burdens, the Government budget is far out of balance and no signs of relief are in sight. The total picture is one of exceedingly heavy burdens placed on a disorganized economy where damage, destruction, and removals by the Germans have all contributed to reducing its potential capacity to produce.

In the discussion on this matter in the Economic Commission for the Balkans, several points were raised on which I shall comment briefly. As happens whenever the reparation question is raised, we heard again the details of the extent of the damage suffered by each claimant. It is important for all of us to be reminded of the costs of war again and again. There can be no question but that the reparation figure for each ex-enemy state

represents only a slight compensation for the claims which can properly be asserted against it. The damage figures are helpful in those cases where allocation must be made among several claimant countries, but, in fact, they have very little bearing on establishing the total. The reparation should be all that the ex-enemy country can pay, bearing in mind its other obligations and its capacity. Because of the wide difference between the size of the claims created by total war and the limited capacity of partially destroyed economies to pay, it really would not affect the situation if the damages could be proved to be twice the amount asserted or if they were reduced one half. There is no need for further demonstration of damage.

We were told that the combination of the armistice and various implementing agreements established some sort of bar to revision, but the fact is clear that neither the armistice nor any agreements established the final right to reparation. If this were so, there would be no need for a reparation article in the peace treaty. At the time of the signing of the armistice, the United States clearly reserved its right to reopen the question of Hungary's reparation obligation.

We have heard that Hungary's present difficulty is due to the failure of the United States Government to make restitution of Hungarian property in the American occupation zones in Germany and Austria. The United States Government believes in restitution, not only to United Nations but to ex-enemy states. Quadripartite agreement through the Allied control authority is required before there can be a complete program of restitution to Hungary from Germany.

The United States representative on the Allied control authority on June 26, 1946 proposed to the Coordinating Committee in Berlin that certain ex-enemy countries including Hungary be made eligible for restitution. Despite the continued efforts of the United States the necessary quadripartite agreement for modification of the April 17 directive has not been obtained. The United States has, while awaiting quadripartite agreement on restitution to Hungary and other ex-enemy states, done all that it could to alleviate the situation. The Hungarian Government has been invited to submit lists of Hungarian property believed to be located in the American zones of

Germany and Austria. Search for the properties included in these lists has been undertaken by the appropriate authorities in the American zones. Moreover, Hungarian restitution missions have been authorized to enter the American zones to search for Hungarian property and to plan for its return to Hungary.

Once quadripartite agreement has been obtained regarding restitution to Hungary the Hungarian mission expressed full satisfaction with the facilities extended for making inventory of Hungarian property. [Regarding?] the special situation of the Hungarian gold which was surrendered to United States forces operating in Austria, the United States has discharged its custodianship by returning the gold in full (\$32,000,000) to Hungary.

The United States very much hopes that it will be possible in the near future to obtain quadripartite agreement in the Allied control authority regarding restitution to Hungary and other ex-enemy states.

The figure of \$3,000,000,000 of Hungarian property eligible for restitution has been mentioned, but the total wealth of Hungary is considerably less than \$10,000,000,000 and most of that is in land and buildings. If that one fact is not enough to discredit the \$3,000,000,000 figure, consider the circumstances. We are talking about removals made by Germany during a war when transport was congested and disorganized, and the suggestion is made that the Germans removed as much from Hungary as the total shipments made up to now by UNRRA to every country to which it sent aid. The figure of \$3,000,000,000 cannot be taken seriously. We would be misleading ourselves and the Hungarian Government if we allowed them to think or to believe that even the most perfect and immediate restitution program would provide any substantial solution to Hungary's problems.

Hungary can be assured that the United States Government will do everything it can to speed the restitution of Hungarian property.

Finally, it has been suggested that a modifica-

tion of the reparation agreement will be exceedingly disturbing to international good-will and will encourage reactionary elements to return to power in Hungary. We do not understand the logic which leads to conclusions such as this. Reparation payments have never been a source of international good-will and, if they are excessive, the reverse must clearly be true. As to political stability within any country, heavy economic burdens on its citizens have never strengthened it. In fact, we would argue very strongly that a modification of this article should contribute to better international relations abroad and greater political stability in Hungary.

The United States has great difficulty in accepting the figure of \$300,000,000 as a standard figure for reparation. Already the plenary Conference has recognized a different principle in setting reparation for Bulgaria, but Rumania, Hungary, and Finland all remain at that mystic figure in spite of their wide differences in size of population, wealth, income, and degree of war devastation and damage. We feel strongly that Hungarian reparation should be reviewed in the light of the character and prospects of the Hungarian economy. If the standard figure of \$300,000,000 is fair and equitable for the much richer and less disorganized economy of Rumania, then, by every possible test of comparison, the proposed reparation figure for Hungary is too high.

The United States will not press its amendment to reduce Hungary's reparation to \$200,000,000. However, it will vote against article XXI. This vote should not be interpreted as opposing the principle of reparation. It represents rather our unwillingness, in the light of our knowledge and understanding of the Hungarian situation, positively to approve the article in its present form. If a number of other countries share our doubts, then this Conference will not recommend article XXI to the Council of Foreign Ministers but will clearly indicate by their votes that this problem is one which should be given further consideration by the Council of Foreign Ministers.

# “The World Wants the Peace To Be the People’s Peace”

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

The Conference has about concluded its work. In the discussion of the last week reference has been made to the fact that there has been some criticism of our work. That is true. It has been said that there has been too much debate, too much propagandizing, and too little harmonizing.

But it must be remembered that this Conference was called to give those nations which took an active part in the fighting and which are not members of the Council of Foreign Ministers an opportunity to participate in the peace.

Certainly the nations represented here have had a chance to express their views on the proposed peace treaties. Certainly the Conference has also afforded the representatives of the ex-enemy countries an opportunity to present their views.

It was a wise course for us to grant the right to be heard to all interested governments.

The world wants the peace to be the people’s peace but there can be no people’s peace unless the people have a chance to make their influence felt. There can be no people’s peace unless the peoples of different countries know each other’s problems and difficulties and learn to know the sacrifices each must make for the common peace and welfare.

Whenever I think of the way in which representatives of the smaller nations have worked at this Conference in commissions and the plenary sessions I realize how distressed the people of those countries would have been had they been denied the opportunity even to express their views.

The Conference has disclosed that these nations that participated in fighting the war were not only vitally interested in the peace but could make a valuable contribution to the drafting of the treaties.

The service they have rendered fully justifies the position of the United States in urging since September 1945 that this Conference be held.

It will now become the duty of the Council to try to reconcile our differences. Such reconciliation necessarily means disappointment for some of us and probably for all of us. But we must exercise self-restraint to maintain our common unity and to bring peace to a war-weary world.

Before we adjourn I want to assure you that as a member of the Council of Foreign Ministers I will sympathetically examine every recommendation which has been adopted by this Conference.

No one state will seriously contend that it won the war. While the fighting was on, we would gladly have admitted that victory could be won only by the combined efforts of all the Allied states. The United States now asserts that is how the victory was won. Just as no one nation had the power to win the war so no one nation has the wisdom to dictate the peace.

Believing this, I reiterate the statement I made the first week of the Conference <sup>2</sup> before any votes were taken that, as to any recommendation that received the vote of two thirds of the states represented here, as a member of the Council of Foreign Ministers I will do all that I can to secure the incorporation of such recommendation in the treaties regardless of how the United States may have voted on that recommendation in this Conference.

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<sup>1</sup> Made at the closing plenary session of the Paris Peace Conference on Oct. 15 and released to the press on the same date. The Secretary of State was the American Delegate to the Conference.

<sup>2</sup> BULLETIN of Aug. 11, 1946, p. 251.

## Welcome to the General Assembly Representatives

### REMARKS BY UNDER SECRETARY ACHESON<sup>1</sup>

Today, as the representatives to the General Assembly of the United Nations gather in New York, I am happy to extend a hearty welcome to all the visiting delegations.

The Government and people of the United States are honored by your presence. We hope that you will enjoy your association with us, and that your work here will be outstandingly successful.

We will spare no effort to contribute to the full success of this work. We will do our best to place adequate facilities at the disposal of the delegations and the members of the Secretariat itself.

We know that our visitors from abroad will be working under some material difficulties. For the most part, these difficulties are a direct outgrowth of the war.

Like many other countries, we suffer from shortages which will probably cause our guests some discomfort and inconvenience. I would ask the delegates to the General Assembly and their staffs to realize this fact, and I would also ask the residents of the New York area to continue to do their utmost to reduce all these difficulties to a minimum. The Government of the United States will do its part.

The General Assembly session which is about to open will be of very great importance to all the United Nations. It will carry forward the task which was begun at London last January and February. At that time the General Assembly set up the organization of the United Nations. Now it will go on to put the organization on a permanent footing.

In its meetings at London, the Assembly also began to grapple with important world problems. We anticipate that here in New York it will deal with a very wide range of political, economic, and social matters. Besides those which have been

placed on its agenda by the member states, the Assembly will consider subjects included in the reports submitted to it by the Security Council and the Economic and Social Council. In its deliberations, the views of all the members, great and small, will be heard; and its recommendations, where they are made, will have the weight of acceptance by the new international community.

We do not anticipate that this session of the General Assembly will be a calm and cut-and-dried performance. There will be differences of opinion; there may be sharp disputes. Some people, hearing discordant voices of delegations, will be tempted to give way to despair and to declare that it is impossible to compose the differences separating nations.

The Government of the United States emphatically repudiates this view. We regret that differences of opinion exist, and that they hamper the work of world political and economic reconstruction. But, as we see it, some such differences are inevitable in any community, national or international. We feel that to smother them beneath the pleasantries of diplomacy could be fatal to world organization.

World organization is, of necessity, a complex affair in this age. But there is one outstanding commitment which all the member states have assumed in setting up the United Nations. It is the solemn obligation not to resort to the threat or use of force in their international relations—and to settle their disputes by peaceful means.

There is only one way to settle differences of opinion satisfactorily. That is the way of discussion and persuasion, of reasonable compromise, and by the peaceful means of the ballot.

That is why we, like the other members of the United Nations, lay such great stress on the importance of the General Assembly. This Assembly of the United Nations symbolizes the method by which disputes can be brought to the attention of the world, investigated, talked out, and resolved

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<sup>1</sup>Made on the National Broadcasting Company's public service program, "Welcome to United Nations", on Oct. 20 and released to the press on the same date.

in agreement. Upon this method rests the hope for the organization of a lasting peace.

Legally, the United Nations Charter has been in force for less than one year. If there are those who complain because in that period the United Nations has not settled all the problems which have been brought before it, we urge them to have patience. The physical reconstruction of the ravages of the war will take not one but many

years. Political and economic reconstruction will take even longer. Spiritual regeneration is a task that continues without end.

The Government of the United States has based its foreign policy on support of the United Nations, and it will not falter in its support. It looks forward confidently to a full measure of progress on the long and difficult road that leads to world conciliation.

## Short-Wave Radio Facilities Made Available for U.N. Broadcasts

[Released to the press October 18]

The United States Government will make available short-wave voice radio facilities for United Nations broadcasts during the forthcoming General Assembly Session in New York. This was announced on October 18 by William Benton, Assistant Secretary of State for public affairs.

"The Department's International Broadcasting Division is happy to cooperate with the United Nations in helping to see that full information on its deliberations is disseminated as widely as possible throughout the world", Mr. Benton said. "This conforms to the Department's announced position supporting adequate and unrestricted distribution of world news as one of the vital factors looking toward permanent peace. I also hope it may point up the necessity of the United Nations establishing its own world radio network at the earliest moment, as recommended by the U.S. Commission of UNESCO and by General Sarnoff of RCA."

Mr. Benton disclosed that the Office of International Information and Cultural Affairs of the State Department (OIC) had provided 11 high-powered transmitters for use by the United Nations. These will be used to broadcast the story of the General Assembly meetings to Europe, Latin America, and the Far East. The first broadcast will be of the opening meeting on October 23.

This will mark the first broadcast in the name of the United Nations and the first by United Nations personnel. Heretofore, OIC's "Voice of America" has broadcast the proceedings of all open meetings of the United Nations Security Council.

The United Nations will broadcast the General Assembly meetings in full, with running com-

mentaries in English and French. The programs also will include eyewitness accounts of the meetings, background talks about the organization, and interviews with delegates and members of the United Nations Secretariat.

These morning and evening programs will be beamed to Europe by four transmitters from the east coast. In addition, the United Nations will broadcast in the other three official languages, Spanish, Chinese, and Russian. Four OIC transmitters will beam the Spanish programs to Latin America, from 9:15 to 10:15 p. m., E.S.T. The Chinese programs will be carried on three other transmitters between 2:45 and 3:45 a.m., E.S.T. For technical reasons the Russian broadcasts will be carried by two Canadian stations made available by the Canadian Broadcasting Company.

With the United Nations handling direct broadcasts of the General Assembly proceedings, the "Voice of America" will step up its own coverage of the historic session. Under the direction of Kenneth D. Fry, Chief of OIC's International Broadcasting Division, all language desks have arranged to give increased air time to the meetings. Throughout the session, the English Section will have a daily 30-minute digest of proceedings entitled "United Nations Review". The program will contain recorded excerpts from the Assembly meetings, linked together by a commentary. The "United Nations Review" will be beamed to Europe at 1:30 p.m. and at 5:30 a.m. E.S.T., to Latin America at 8:30 p.m., and to the Far East at 5:30 a.m.

All the other language desks will have special broadcasts. There will be full coverage of commentaries, press reviews, addresses, and special

events to tell listeners around the world of United Nations activities.

For these programs, the "Voice of America" will have the full-time use of the 25 OIC transmitters not to be used by the United Nations. It will also use the other 11 transmitters when they are not required for the United Nations own programs.

The OIC transmitters to be used by the United Nations, their frequencies, and their time on the air are as follows:

For broadcasts to Europe—WNBI, 17780 kilocycles, from 9:30 a.m. to 1:30 p.m., E.S.T.; WNRI, 13050 kilocycles until 6:15 p.m., E.S.T., and 6190 kilocycles from 6:30 p.m. to 9 p.m.; WNRX, 21610 kilocycles to 1:45 p.m., E.S.T., and 9570 kilocycles from 2 p.m. to 9 p.m.; and WOOC,

15200 kilocycles to 4:30 p.m., E.S.T., and 11870 kilocycles from 5 p.m. to 9 p.m.

For broadcasts to the Far East—KNBA, beamed on China, 9490 kilocycles; KNBI, beamed on Hawaii and Australia, 9490 kilocycles; and KRHO, Honolulu relay beamed on China, 9650 kilocycles. All three stations are on the air from 2:45 a.m. to 3:45 a.m., E.S.T.

For broadcasts to Latin America—WCBX, beamed on western South America, 15270 kilocycles; WLWO, beamed on eastern South America, 11790 kilocycles; WLWL-1, beamed on western South America and Central America, 9750 kilocycles; and WRCA, beamed on eastern South America, 9670 kilocycles. These stations are on the air from 9:15 p.m. to 10:15 p.m., E.S.T.

## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### Calendar of Meetings

#### IN SESSION AS OF OCTOBER 20, 1946

Far Eastern Commission	Washington	February 26
United Nations:		
Security Council	Lake Success	March 25
Military Staff Committee	Lake Success	March 25
Commission on Atomic Energy	Lake Success	June 14
UNRRA—Intergovernmental Committee on Refugees: Joint Planning Committee	Washington and Lake Success	July 24
Paris Peace Conference	Paris	July 29—October 15
German External Property Negotiations with Portugal (Safehaven)	Lisbon	September 3
PICAO:		
Interim Council	Montreal	September 4
Divisional Demonstrations of Radio Aids to Air Navigation	New York—Indianapolis	October 7—26
International Emergency Food Council: Second Council Meeting	Washington	October 14—15
Preparatory Commission of the International Conference on Trade and Employment	London	October 15
Emergency Economic Committee for Europe: Housing Committee	Paris	October 18—19
Second Pan American Conference on Leprosy	Rio de Janeiro	October 19—31
<b>SCHEDULED</b>		
International Committee on Weights and Measures	Paris	October 22
Permanent Committee of the International Health Office	Paris	October 23
United Nations: General Assembly (Second Part of First Session)	Flushing Meadows	October 23
United Maritime Consultative Council: Second Meeting	Washington	October 24—30
PICAO:		
Regional		
Air Traffic Control Committee, European—Mediterranean Region	Paris	October 28

**CALENDAR OF MEETINGS—Continued****Scheduled—Continued****PICAO—Continued**

## Divisional

Meteorological Division

Special Radio Technical Division

Communications Division

Search and Rescue Division

Rules of the Air and Air Traffic Control Practices Division

Informal Four Power Broadcasting Conference

International Commission for Air Navigation (CINA): Twenty-ninth Session

FAO: Preparatory Commission to study World Food Board Proposals

World Health Organization: Interim Commission

Council of Foreign Ministers

International Telegraph Consulting Committee (CCIT)

IARA: Meetings on Conflicting Custodial Claims

International Technical Committee of Aerial Legal Experts (CITEJA)

International Wool Meeting

**ILO:**

Industrial Committee on Textiles

Industrial Committee on Building, Engineering and Public Works

Second Inter-American Congress of Radiology

United Nations: ECOSOC: Commission on Narcotic Drugs

**UNESCO:**

"Month" Exhibition

Preparatory Commission

General Conference

Inter-American Commission of Women: Fifth Annual Assembly

Intergovernmental Committee on Refugees (IGCR): Sixth Plenary Session

Montreal

Montreal

Montreal

Montreal

Montreal

Paris

Dublin

Washington

Geneva

New York

London

Brussels

Cairo

London

Brussels

Brussels

Habana

Lake Success

Paris

Paris

Paris

Washington

London

October 29

October 30–November 8

November 19

November 26

December 3

October 28–30

October 28–31

October 28

November 4–10

November 4

November 4–9

November 6

November 6

November 11–16

November 14

November 25

November 17–22

November 18

November

November 14–15

November 19

December 2–12

December 11

**Activities and Developments»****TERMS OF REFERENCE OF THE INTER-ALLIED TRADE BOARD FOR JAPAN<sup>1</sup>**

1. At the request of the United States Government the Far Eastern Commission hereby establishes the Inter-Allied Trade Board for Japan. The United States Government will request each of the Governments represented on the Far Eastern Commission to appoint a representative to

<sup>1</sup> Unanimously approved by the Far Eastern Commission on Oct. 10. The text of this document has been received by the Supreme Commander for the Allied Powers, and it was released to the press on Oct. 15.

the Board. The Board will meet in Washington, D.C.

2. The purpose of the Board is to provide easy and rapid means of consultation between the United States Government as the principal occupying power and the other Governments represented on the Far Eastern Commission regarding the disposition of exports available from Japan and the furnishing of imports required for Japan, which lie beyond the scope of the Supreme Commander for the Allied Powers' own authority to arrange.

3. Within the framework of the Potsdam Declaration, policies established in accordance with the Terms of Reference of the Far Eastern Commission, and the declared objectives of the occupation, the functions of the Inter-Allied Trade Board for Japan will be to make recommendations to the United States Government on:

*a.* The disposition of commodities available for export from Japan;

*b.* The sources from which commodities shall be imported into Japan;

*c.* The best arrangements for facilitating Japanese exports and imports generally.

All recommendations of the Board involving matters of policy shall be subject to the approval of the Far Eastern Commission.

### *Exports*

4. In the case of commodities which are in short world supply the Inter-Allied Trade Board may use any statistical data and consult with allocating authorities and other similar organizations.

5. In considering the disposition of other commodities which may be made available for export from Japan, the Board shall consider any evidence or arguments which may be presented to it by its members and shall either recommend that the commodity be disposed of at the discretion of the Supreme Commander for the Allied Powers or shall recommend an allocation of the commodity which in its opinion, shall further the objectives of the Allied Powers with respect to Japan as stated in the Potsdam Declaration and insure the equitable distribution of the supply among countries which wish to purchase the commodity.

6. It shall be the responsibility of the Board to make recommendations as to terms of sale of Japanese exports.

### *Imports*

7. It shall be the responsibility of the Board to make recommendations as to the terms of purchase of Japanese imports so as to further the announced objectives of the occupation, giving full weight to the desirability of minimizing the cost of procurement.

8. In considering procurement of commodities which are required by Japan, the Board shall either (*a*) decide that the commodity can be acquired at the discretion of the authorities making the purchase or (*b*) shall recommend the source of the commodity in such manner as, in its opinion, shall further the announced objectives of the Allied Powers with respect to Japan and provide for the equitable distribution of purchases among the supplying countries.

### **CHILE, LEBANON, NORWAY ACCEPT INVITATION TO DISCUSS TRADE BARRIERS**

[Released to the press October 14]

The Department of State announced on October 14 that Chile, Lebanon, and Norway have accepted an invitation issued by the United States to participate in negotiations for the reduction of barriers to world trade as a necessary step in the preparation for a world conference on trade and employment.

The invitations were extended to Chile, Lebanon, and Norway on August 20, 1946 after consultation with the governments of the 15 countries originally invited by the United States to participate, and following the action of the Economic and Social Council of the United Nations in approving a resolution for an international conference on trade and employment and in naming a preparatory committee for the international conference which included the United States, the 15 nations originally invited, and Chile, Lebanon, and Norway.

The countries originally invited were: Australia, Belgium, Brazil, Canada, China, Cuba, Czechoslovakia, France, India, Luxembourg, the Netherlands, New Zealand, Union of South Africa, Union of Soviet Socialist Republics, and the United Kingdom.

The Preparatory Committee is holding its first meeting in London on October 15, 1946.

The first meeting on negotiations for the reduc-

tion of trade barriers, however, is not scheduled to be held until the spring of 1947.

### **AMERICAN DELEGATES TO INFORMAL FOUR POWER BROADCASTING CONFERENCE**

[Released to the press October 15]

The Department of State announced on October 15 the appointment of United States representatives to attend an informal four-power international high-frequency-broadcasting conference in Paris on October 24 to discuss the feasibility of creating a new world broadcasting organization.

Francis Colt de Wolf, Chief of the Telecommunications Division of the Department of State, was named chairman of the American representation.

Other representatives are as follows:

Dr. J. H. Dellinger, National Bureau of Standards  
 Forney A. Rankin, Associate Chief, International Broadcasting Division, Department of State  
 Robert Burton, International Broadcasting Division, Department of State

Other countries to be represented at the conference are the United Kingdom, the Union of Soviet Socialist Republics, and France.

It is contemplated that the conference will informally discuss high-frequency organization problems with respect to broadcasting only and will not be concerned with frequency allocations to stations. The conference does not plan to phrase any concrete proposals but will concentrate on seeking unanimity of potential proposals for a projected world conference to set up a world broadcasting organization.

### **MEETING OF COUNCIL OF FOREIGN MINISTERS**

[Released to the press October 17]

The Secretary of State announced on October 17 that the Council of Foreign Ministers will reconvene on November 4, 1946 at New York to continue its work on the drafting of the peace treaties with Italy, Rumania, Bulgaria, Hungary, and Finland. The headquarters of the Council for these meetings will be at the Waldorf-Astoria Hotel.

<sup>1</sup> Prepared by the Office of International Information and Cultural Affairs in collaboration with the Division of International Conferences, Department of State.

Secretary of State Byrnes and the Ministers of Foreign Affairs of the United Kingdom, the Union of Soviet Socialist Republics, and France, accompanied by their respective deputies and advisers, will participate in the New York meetings.

Although the General Assembly of the United Nations will meet at New York concurrently with the Council of Foreign Ministers, the meetings of the Council will be conducted independently at its own temporary headquarters.

### **UNESCO MONTH<sup>1</sup>**

The first meeting of the General Conference of UNESCO, to be held in Paris on November 19, will be marked by the celebration of UNESCO Month.

In Paris, exhibits, film shows, lectures, and concerts will emphasize the cultural bonds among peoples. The United States will participate in the Paris program by supplying contributions to the education, educational-reconstruction, scientific, and fine-arts sections of the exhibition, including a collection of contemporary American oils and water colors now on display at the Metropolitan Museum, the atomic-energy exhibit of the American Chemical Society, and panels prepared by the U. S. Office of Education. A wide range of American entertainment and documentary and educational films will be exhibited. A number of distinguished Americans have been invited to participate in the lecture programs.

UNESCO Month will be observed simultaneously in other countries. Such observances, however, will not take the form of formal large-scale exhibits and programs. The Department of State has suggested to organized groups and educational institutions that they find occasion during November to emphasize in regional and local meetings the purposes of UNESCO and the cultural bonds among peoples.

### **AMERICAN DELEGATION TO THE GENERAL CONFERENCE OF UNESCO**

[Released to the press October 14]

The Acting Secretary of State announced on October 14 that the President has designated the following 10 persons as delegates to the first session of the General Conference of the United

(Continued on page 779)

## Interim Commission on International Health

ARTICLE BY H. VAN ZILE HYDE

International organization in the field of health will be advanced by two meetings scheduled for late October and early November: the semi-annual meeting of the Permanent Committee of the International Office of Public Health, Paris, October 23-31, and the second session of the Interim Commission of the World Health Organization, Geneva, November 4-10.

The Permanent Committee, at which the United States will be represented by Dr. James A. Doull, Chief of the Office of International Health Relations, U.S. Public Health Service, and Howard B. Calderwood of the same office, will be concerned primarily with putting its house in order for the early transfer of its functions and assets to the World Health Organization. Final absorption of the Paris Office by the World Health Organization cannot be completed before the protocol providing for its absorption is signed by all signatories to the Rome agreement of 1907 providing for the establishment of the International Office of Public Health,<sup>1</sup> or before those signatories have denounced the agreement as provided in article IV of the protocol. It is contemplated that the Permanent Committee will arrange for the transfer to the World Health Organization Interim Commission of the functions of the Office which are related to the international exchange of epidemiological information and the publication of epidemiological statistics. This transfer will constitute an important consolidation, for these functions are now performed by the Paris Office, UNRRA, and the United Nations (as heir to the League of Nations).

The World Health Organization Interim Commission, composed of representatives of 18 states, will be concerned largely at its November meeting with organizational matters and with the development of its relationships with other inter-

national organizations. The United States will be represented by Dr. Thomas Parran, Surgeon General of the United States Public Health Service, and by an advisory staff of three members.

It is expected that the Commission will have before it for action a draft agreement with UNRRA providing for the transfer of UNRRA health activities and UNRRA funds sufficient for the continuance of vital advisory health functions until the World Health Organization is functioning. Provision for such transfer was made by the UNRRA Council in a resolution (No. 94) adopted at its Fifth Session in Geneva, August, 1946.<sup>2</sup> It is anticipated that the UNRRA Central Committee will act, prior to the Interim Commission meeting, on a draft agreement which has been developed by a joint conference meeting under the chairmanship of Fiorello H. La Guardia. The functions to be transferred, as covered in the draft agreement, include technical advice and assistance to the national health services of states receiving UNRRA aid and the operation of an international fellowship program in the field of health.

The Interim Commission will also consider procedures for:

1. Conducting negotiations with the United Nations, specialized agencies, and other international organizations;
2. Providing representation at meetings of other agencies;
3. Participating in joint committees and commissions;
4. Establishing expert committees; and
5. Conducting relations with non-governmental, international, and national organizations in the field of health.

The Commission is expected to consider the appointment, at this session, of expert committees on epidemiology and quarantine, health in devastated areas, nomenclature of disease, and narcotics

<sup>1</sup>Treaty Series 511.

<sup>2</sup>For article by Mr. Persinger on the Fifth Council Session of UNRRA, see BULLETIN of Sept. 22, 1946, p. 523.

# Basic Principles in Establishment of International Trade Organization

BY CLAIR WILCOX<sup>1</sup>

When a dog bites a man, according to a saying that is common in my country, the event goes unrecorded in the press. But when a man bites a dog the story is good for a headline on page one. So it is with the popular appraisal of the progress that has been made, since the war, toward the reconstruction of a world order. The difficulties that have been encountered and the persisting threat of failure are uppermost in every mind. The solid successes that have been achieved are taken for granted, as if they were a matter of routine. This attitude is understandable: conflict is exciting; agreement is dull. But it is sadly lacking in perspective: the big news, the important news, is not that nations have encountered difficulties, but that they have surmounted them; not that their efforts are threatened with failure, but that they have been attended by so large a measure of success.

The world has gone a long way, in the last few years, toward binding itself together in a network of agencies for international cooperation. The organization of the United Nations has been established; the General Assembly, the Security Council, and the Economic and Social Council, with their several commissions and subcommissions, are now going concerns. The United Nations Relief and Rehabilitation Administration, the Food and Agriculture Organization, the International Monetary Fund, the International Bank for Reconstruction and Development, the Civil Aviation Organization, the United Nations Educational, Scientific and Cultural Organization, and the World Health Organization have joined the International Labor Organization as specialized international agencies. The nations are developing the programs and organizing the institutions through which they can work together, side by side, to reconstruct a shattered world. For so much in the way of concrete accomplishment, in so short a time, there is no precedent in history.

Much has been done; much remains to be done. The General Assembly, meeting this month in New York, will act upon the recommendation of the Economic and Social Council for the establish-

ment of an international organization for refugees. The United Maritime Consultative Council, meeting in Washington, will consider the creation of a world-wide intergovernmental organization for maritime affairs. A reconstituted international telecommunications organization is now under discussion in Moscow, and a conference to plan for such a body may be held in the spring of 1947. And finally, our own committee has been charged with the responsibility of writing a constitution for an organization in the field of international trade.

Of the many tasks of economic reconstruction that remain, ours is by all odds the most important. Unless we bring this work to completion, the hopes of those builders who preceded us can never be fulfilled. If the peoples who now depend upon relief are soon to become self-supporting, if those who now must borrow are eventually to repay, if currencies are permanently to be stabilized, if workers on farms and in factories are to enjoy the highest possible levels of real income, if standards of nutrition and health are to be raised, if cultural interchange is to bear fruit in daily life, the world must be freed, in large measure, of the barriers that now obstruct the flow of goods and services. If political and economic order is to be rebuilt, we must provide, in our world trade charter, the solid foundation upon which the superstructure of international cooperation is to stand.

From the project of establishing an international trade organization, I take it, there is no dissent. But with regard to details there will be many views. It would be well, therefore, at the outset, to find the fundamental principles on which all nations can agree. Of such principles, I should like to suggest five; and, with your permission, I shall state them, dogmatically, and comment briefly upon each.

The first principle is that existing barriers to

<sup>1</sup> Made before the Preparatory Committee for an International Conference on Trade and Employment in London on Oct. 17, 1946 and released to the press on the same date. Mr. Wilcox, Director of the Office of International Trade Policy of the Department of State, is chairman of the American Delegation.

international trade should be substantially reduced, so that the volume of such trade may be large—larger, certainly, than it was between the two world wars. Readier access to foreign markets is needed if nations are to earn the foreign exchange that will enable them to pay for the imports that they require. Increased trade, with greater specialization and more active competition, should enhance the productivity of labor, cut the costs of production, enlarge the output of industry, and add to the richness and diversity of daily living. More goods should flow from less effort, and levels of consumption should be heightened all around the world. A renewed sense of well-being should contribute, in turn, to domestic stability and to international peace. Abundant trade is not an end in itself; it is a means to ends that should be held in common by all mankind.

The second principle is that international trade should be multilateral rather than bilateral. Particular transactions, of course, are always bilateral; one seller deals with one buyer. But under multilateralism the pattern of trade in general is many-sided. Sellers are not compelled to confine their sales to buyers who will deliver them equivalent values in other goods. Buyers are not required to find sellers who will accept payment in goods that the buyers have produced. Traders sell where they please, exchanging goods for money, and buy where they please, exchanging money for goods. Bilateralism, by contrast, is akin to barter. Under this system, you may sell for money, but you cannot use your money to buy where you please. Your customer insists that you must buy from him if he is to buy from you. Imports are directly tied to exports, and each country must balance its accounts, not only with the world as a whole but separately with every other country with which it deals.

The case against bilateralism is a familiar one. By reducing the number and the size of the transactions that can be effected, it holds down the volume of world trade. By restricting the scope of available markets and sources of supply, it limits the possible economies of international specialization. By freezing trade into rigid patterns, it hinders accommodation to changing conditions. Multilateralism follows market opportunities in a search for purely economic advantage; bilateralism invites the intrusion of political considerations. It will be agreed, I trust, that nations living in the middle of the twentieth century should not

be thrown back to the primitivism of barter, with all of the inconvenience, all of the costs, and all of the risks which such a system entails.

The third principle is that international trade should be non-discriminatory. This principle would require that every nation give equal treatment to the commerce of all friendly states. It should be evident that discrimination obstructs the flow of trade, that it distorts normal relationships and prevents the most desirable division of labor, that it tends to perpetuate itself by canalizing trade and establishing vested interests, and finally that it shifts the emphasis in commercial relations from economics to politics. Discrimination begets bilateralism as bilateralism begets discrimination. If we are to rid ourselves of either one of them, we must rid ourselves of both.

The fourth principle is that prosperity and stability, both in industry and agriculture, are so intimately related to international trade that stabilization policies and trade policies must be consistent, each with the other. It should be recognized that the survival of progressive trade policies will depend upon the ability of nations to achieve and maintain high and stable levels of employment and upon their willingness to protect the producers of staple commodities against the sudden impact of violent change. It should be recognized, too, that the advantages of abundant trade cannot be realized if nations seek to solve their own employment problems by exporting unemployment to their neighbors, or if they attempt, over long periods, to hold the production and prices of staple commodities at levels that cannot be sustained by world demand. Programs that are directed toward the objectives of prosperity and stability, on the one hand, and abundant trade, on the other, will not often be in conflict. But when they are they must be compromised.

The fifth and final principle is that the rules that govern international commerce should be so drafted that they will apply with equal fairness and with equal force to the external trade of all nations, regardless of whether their internal economies are organized upon the basis of individualism, collectivism, or some combination of the two. The United States, among other countries, will continue to entrust the management of her industry and the conduct of her trade to private enterprise, relying primarily for guidance upon freely determined market price. Some countries have taken over the entire operation of their economies, guid-

ing production according to the requirements of a central plan. Others have committed substantial segments of their industry and trade to public ownership under varying patterns of control. There can be no question concerning the right of every nation to adopt and to maintain, without external interference, the form of economic organization that it prefers. But it should be agreed that this diversity of economic systems need not and cannot be permitted to split the world into exclusive trading blocs. Every nation stands to gain from the widest possible movement of goods and services. Every nation should recognize an obligation to buy and sell abroad, wherever mutual advantage is to be obtained. The rules that apply to diverse trading systems must differ in detail. But they should not differ in principle. That international trade should be abundant, that it should be multilateral, that it should be non-discriminatory, that stabilization policies and trade policies should be consistent—these are propositions on which all nations, whatever their forms of economic organization, can agree.

These are the principles that the United States has sought to embody in the *Proposals for Expansion of World Trade and Employment* that it published in December of last year, and to elaborate in the *Suggested Charter for an International Trade Organization* that it circulated to other members of this Committee during the past summer and published on September twentieth. The latter draft, in accordance with the resolution of the Economic and Social Council, has been submitted to the Council's secretariat for transmission to this Committee. We hope that it will be accepted as a working document, that it will afford a useful basis for discussion, and that it will facilitate the process of arriving at agreement on a final draft.

The importance which my Government attaches to this enterprise is evidenced by the years of labor it has put into the writing of the *Proposals* and the *Suggested Charter*. As they stand, these documents give expression, in principle, to the policy of the United States. But they are not to be taken, in detail, as presenting a formulation which we regard as fixed or final. We have sought, through consultation with other governments and through modification of our earlier drafts, to take into account the interests and the needs of all nations, be they large or small, highly industrialized or relatively undeveloped, capitalist, socialist, or communist. But we do not pretend that we have

said the last word, dotted the final *i*, or crossed the final *t*. If we have not succeeded in meeting legitimate requirements, we shall be ready to consider further modifications. It would not be in our own interest to insist upon provisions that may be detrimental to the interests of other states. As far as we are concerned, however, our cards are on the table. The *Suggested Charter* expresses, in general outline, what we want.

The present draft is not a product of pure altruism. We conceive the principles which it embodies to be in the interest of the United States. We want large exports. An important part of our agricultural activity has long been directed toward sales abroad. And now our heavy, mass-production industries are also geared to a level of output which exceeds the normal, peacetime demands of our domestic market. We want large imports. The war has made great inroads on our natural resources; we have become and may increasingly become dependent upon foreign supplies of basic materials. The quantity and the variety of our demand for consumers' goods are capable of indefinite expansion. Abundant trade is essential to our industrial strength, to our economic health, to the well-being of our people.

But surely it is true that this interest is one that is shared, in greater or lesser degree, by every other nation in the world. Indeed, if the importance of untrammelled trade to the United States is great, its importance to many other nations must be compelling. Countries that are small, populous, and highly industrialized must have access to foreign markets if they are to earn the exchange with which to pay for foodstuffs and raw materials. Countries that specialize in the production of a small number of staple commodities must have access to such markets if they are to maintain the basis of their economic life. Countries that have been devastated by the enemy must be enabled to sell abroad if they are to obtain materials for their reconstruction. Countries that are relatively undeveloped must be enabled to make such sales if they are to acquire equipment for their industrialization. Countries that have borrowed for either of these purposes must be permitted to earn exchange if they are to service their debts. If the trade of the world were to be governed by rules the opposite of those contained in the *Suggested Charter*, the United States would deeply regret it, but it could adapt itself to the resulting situation; its economy would survive the strain. But other

nations, in this respect, are less fortunately endowed than are we. For us, the strangulation of trade would necessitate a difficult readjustment. For others, it would spell catastrophe.

It will doubtless be remarked, in the course of these proceedings, that the United States has not always practiced the gospel that it now presumes to preach. This I admit. But the fact that we have sinned in the past should not be taken to justify all of us in sinning in the future, to our mutual harm. Certainly, it should not be inferred that the economic strength of the United States can be attributed to the restrictions that we have imposed on our external trade. We have within our borders an area of 3,000,000 square miles, diverse resources, and a market of 140,000,000 customers. And the founders of our republic wisely provided that this vast market should not be split by customs barriers. As for our foreign trade, I submit that our present proposals should demonstrate that we can learn from history.

It will probably be said, too, that the provisions of the *Suggested Charter*, particularly those that deal with commercial policies and restrictive business practices, are negative rather than affirmative. It is true that the work of reducing barriers to trade and eliminating discriminatory practices is negative, in the same sense in which the work of a surgeon who removes a diseased appendix is negative. But for proposing an operation that is required to restore the body economic to full health we offer no apologies. The other chapters of the Charter, however, particularly those that deal with employment policy, commodity arrangements, and the framework of an international trade organization, are scarcely to be described as negative. And the Charter as a whole is designed to make affirmative provision for the expansion of world trade.

The draft recognizes that provision must be made to enable undeveloped countries to achieve a greater diversification of their economies. And, in this connection, I wish to make it clear that the United States affirmatively seeks the early industrialization of the less developed sections of the world. We know, from experience, that more highly industrialized nations generate greater purchasing power, afford better markets, and attain higher levels of living. We have sought to promote industrialization by exporting plant, equipment, and know-how; by opening markets to countries that are in the early stages of their industrial

development; by extending loans through the Export-Import Bank; by participating in the establishment of the International Bank. We recognize that public assistance may be required, in some cases, to enable new industries to get on their feet. But we believe that such aid should be confined to enterprises that will eventually be able to stand alone and that it should be provided directly, by public contributions, rather than indirectly by restraints on trade. The interests of undeveloped countries in sound industrialization cannot be served effectively by imposing arbitrary restrictions on the flow of goods and services. We believe, finally, that the Economic and Social Council and some of the specialized agencies of the United Nations, including the proposed International Trade Organization, may make affirmative contributions to the process of industrial development, and we stand ready to consider all serious proposals that are directed toward this end.

Every nation, of course, will feel that its own situation is in some respect peculiar; that some special provision is required to meet its needs. Exceptional cases will call for exceptional rules. And such rules must be written into the Charter where the need for them is real. But they must be particularized, limited in extent and time, and set forth in terms of fixed criteria. Mutuality of benefit and of obligation must be preserved. No special interest, however worthy, can justify a sweeping exemption from general principles. Exceptions must be made, but they cannot be made in terms so broad as to emasculate the Charter as a whole. We have been called together to create an organization that will liberate world trade. If our efforts are to succeed, it will be by virtue of the fact that each of us has come prepared to make his contribution to the common enterprise.

In conclusion, let me repeat that my country seeks a Charter and an Organization that will apply with equal fairness to the trade of every nation in the world. If it should be shown that any one of the detailed provisions of the present draft is really detrimental to the essential interests of another state, we shall recommend that it be withdrawn or modified. I remarked, at the outset, that conflict is exciting and agreement dull. It is the hope of my Delegation that the proceedings of this Committee will be dull. We shall do everything in our power to make them so.

### U.S. Condemns Yugoslav Use of Americans for Slave Labor

[Released to the press October 18]

*Text of a note delivered to the Yugoslav Foreign Office on October 18 by Richard C. Patterson, American Ambassador at Belgrade*

My Government has fully considered the views expressed in the Embassy's note of August 28, 1946, protesting against the treatment given to Kristian Hegel in respect to his confinement in concentration camp since November 26, 1944 and the hiring of him at forced labor to private employer. The view expressed in the Foreign Office note of September 7 to the effect that "persons being detained may be let work in an appropriate way" is in full harmony with the laws and customs of other civilized peoples has been noted.

The Government of the United States has received from other sources information in which it is impelled to place confidence indicating that in many other cases the following practices have been and are being followed by the Yugoslav Government in dealing with persons having a valid claim under the laws of the United States to be considered American citizens.

It appears that these individuals, who have been convicted of no crime whatever, have been confined in camps under the administration of the Yugoslav Government; that some of them have died as result of conditions and treatment in these camps; and that survivors are being hired out by the Yugoslav State to private individuals for farm labor, factory labor and other forms of hard labor for which they personally receive no remuneration whatever. It further appears that sums of from fifteen dinars to fifty dinars per day are received by the Yugoslav Government from the employers of these persons. No benefit therefrom accrues to the American citizen concerned. The unfortunate victims of this practice receive from their employer only such shelter and food as the latter deems fit to give them and are compelled by him to work for as many as twelve hours daily.

The United States Government states its abhorrence and condemnation of the practices described

above. They are violations of established principles of international law governing the protection of foreign subjects, constituting involuntary or forced labor in denial of the natural rights of human beings and possessing no features distinguishable from slave labor. International tribunals have repeatedly held that such treatment of a nation's citizens abroad is in disregard of civilized standards of justice and that it engages the responsibility of the State to the full extent of the damages suffered by the individuals concerned. Nor has the fact that nationals are given the same treatment ever been regarded as excusing the international delinquency. The United States Government rejects the protest of the Yugoslav Foreign Office, in its note of September 7, against the characterization of this practice as slave labor and denies that the practice is, as stated by the Yugoslav Foreign Office, in full harmony with the laws and customs of civilized peoples.

Even so far as concerns prisoners of war captured in the heat of battle between States, the relevant international convention signed at Geneva on July 27, 1929 provided in Article 3 for the retention of individual civil rights and respect of the personality of the individual prisoner of war. Provision is made in Section 3 of that Convention for forced labor but only in terms consonant with enlightened labor practices involving the full responsibility of the detaining Power for the proper feeding, clothing and shelter of the prisoners of war, for their proper treatment, and for the reasonable regulation of their working hours. Thus the practice of the nations in respect to the soldiers of a belligerent Power captured in the heat of battle while bearing arms is superior to the practice of the Yugoslav Government with respect to individuals claiming the nationality of a friendly Power which contributed materially to the liberation of Yugoslavia from enemy occupation and subsequently contributed in terms of goods and assistance to the reconstruction of Yugoslav economy.

The United States Government deploras the attitude of the Yugoslav Government as evinced in its notes of September 7 and August 13 regarding the rights of American citizens who without any legal procedure are being deprived of their natural rights as human beings in the manner outlined above and expects that remedial measures will promptly be taken, and that these American citizens will be released and permitted to leave Yugoslavia without delay.

*Text of a note delivered to the Yugoslav Foreign Office on August 28, 1946*

No. 412

The American Embassy presents its compliments to the Ministry of Foreign Affairs and has the honor to bring to the Ministry's attention the case of Kristian Hegel, an American citizen, who it is noted had been confined in a concentration camp since November 26, 1944.

It has furthermore been brought to the attention of the Embassy that Mr. Hegel has been sold out at forced labor and subjected to every type of hardship, privation and persecution since his arrest and detention.

So far as the Embassy is aware, no charges have been preferred against Mr. Hegel. Mr. Hegel filed an application for passport on August 24, 1946. His application has been approved and a passport valid for his immediate return to the United States prior to October 14, 1946 has been issued to him in accordance with standing instructions. It is understood that Mr. Hegel will apply for an exit visa within the next few days.

The Embassy is completely at a loss to understand on what grounds Mr. Hegel has been held since November 26, 1944 in a concentration camp and under what provisions of international law he, an American citizen, has been forced to work as a slave laborer.

The Embassy expects the Ministry immediately to inform the Embassy why Mr. Hegel has been held for almost two years, why he has been sold out as a slave laborer, and to issue the necessary instructions to the appropriate authorities to permit Mr. Hegel to avail himself of the opportunity accorded to him by the United States Government of returning to the United States prior to October 14, 1946.

It may be added that the American Government has been fully informed of the facts and will continue to be informed of any further persecutions inflicted upon American citizens contrary to all recognized precepts of international law and in direct violation of the treaties in force between the United States and Yugoslavia, the validity of which was confirmed by the Yugoslav Government on April 18, 1946.

*Text of reply dated September 7, 1946*

The Ministry of Foreign Affairs of the Federative People's Republic of Yugoslavia present their compliments to the American Embassy and with reference to the Note of the Embassy No. 412 of August 28, 1946 have the honor to state that details of the case of Kristian Hegel have been requested from the competent Authorities, and that the Ministry will supply all useful information in the premises as soon as details are available.

In the meantime the Ministry of Foreign Affairs have to protest most energetically against the contents of the aforesaid Note which states that "Mr. Hegel has been sold out at forced labor and subjected to every type of hardship, privation and persecution since his arrest and detention" as well as that he has been "forced to work as a slave laborer".

For the moment still missing the precise details of Mr. Kristian Hegel's case the Ministry have to refuse any insinuation that "slave labor" exist in Yugoslavia and that in this country people were being "sold out at and forced to slave labor".

According to the Law and in full harmony with Laws and customs of other cultural peoples of the world, persons being detained may be let work in an appropriate way. This is by no means inhuman or humiliating—as it is hinted in the Embassy's Note. On the contrary a detention without any occupation appears far more pressing and demoralizing.

The Ministry of Foreign Affairs have to point out that this is not the first time that allegations in Embassy Notes are such that the Ministry must reject them and lodge a protest against such a way of making Notes. It is reminded hereby to the Embassy's Note No. 381 of August 10 and to the Ministry's reply No. 9610 of August 14.

The Ministry have further to reject as unneces-

sary and being without any reason the last statement of the Embassy's Note of August 28 No. 412. The Ministry do not object to the Embassy exercising its rights to be fully informed of American citizens.

In a separate Note the Ministry will put forth their view in the matter of Yugoslav citizens whom the American Embassy considers claimants to American citizenship.

*Text of a note delivered to the Yugoslav Foreign Office on August 10, 1946*

No. 381

The American Embassy presents its compliments to the Ministry of Foreign Affairs and has the honor to bring to the Ministry's attention the case of Anton Klanear, who, according to information received from the Department of State at Washington has a justifiable claim to American citizenship by virtue of birth at Cleveland, Ohio, on November 28, 1919, and who, it is reported, is about to be transported for enforced labor to the Union of Soviet Socialist Republics.

The Ministry is requested to inform the Embassy immediately whether there is any truth in the report received from the American Government and, if so, to take immediate steps to prevent his deportation to the USSR.

Mr. Klanear was lastly reported to be residing at Gorenja Vas 62, Postasmarjeta Prinovem Mes-tu, Slovenia, with his sister, Mary Klanear, who also has a justifiable claim to American citizenship by virtue of birth at Cleveland, Ohio, on March 28, 1922.

The Embassy avails itself of this opportunity to renew to the Foreign Office the expression of its high consideration.

*Text of reply dated August 13, 1946*

The Ministry for Foreign Affairs of the Federative People's Republic of Yugoslavia present their compliments to the Embassy of the United States of America and in connection with the latter's Note no. 381 regarding the alleged transportation for enforced labor to the Union of Soviet Socialist Republics, of a certain Anton Klanear, find themselves obliged to state the following:

The Ministry for Foreign Affairs of the Federative People's Republic of Yugoslavia reject strongly the allegation brought forward in the

aforsaid note based on vague and untrue informations regarding the transportation of *Yugoslav citizens* for enforced labor to the Union of Soviet Socialist Republics, and protest energetically against such a way of acting of the United States Embassy in Belgrade.

The Ministry for Foreign Affairs will look through the usual channels to establish the real citizenship of the said Anton Klanear, according to existing Yugoslav laws which are the only relevant in this case.

*Text of a note delivered to the Yugoslav Foreign Office on July 26, 1946.<sup>1</sup>*

The American Embassy presents its compliments to the Ministry of Foreign Affairs and with reference to its note No. 277 of June 27, 1946, and to previous notes concerning difficulties being encountered by American citizens in obtaining exit visas, has the honor to state that it has been instructed to transmit to the Ministry the text of the following press notice which was released by the Department of State on July 24, 1946:

"The Department of State understands that claimants to American citizenship in Yugoslavia are being prevented by local authorities from presenting themselves to the American Embassy at Belgrade and that some have been deprived of their identifying documents. Some such persons who were previously inmates of concentration camps have been threatened with deportation to an unknown destination.

"To assist the Department of State in rendering protection to American citizens in Yugoslavia it is urgently requested that persons having knowledge of the presence of such citizens in that country communicate promptly with the Department of State by mail stating:

"(a) Name of person with alternative spellings if any exist.

"(b) Place and date of birth with copy of birth certificate if native American citizen.

"(c) Place and date of naturalization with number of naturalization certificate if naturalized American citizen.

"(d) Last known address in Yugoslavia and date when last heard from."

<sup>1</sup> No reply to this note has been received.

A revised list of American citizens awaiting exit visas is enclosed. As the Ministry is aware, many of the persons listed have been the subject of previous communications, both written and oral. One example is Spasia Chetkovich who was granted an American passport on April 16, 1946, and concerning whom the Embassy addressed the Ministry on July 6. The Embassy has received no reply to its notes of June 18, July 5, and July 25 on the case of Lillian Spengler who was granted an American passport on April 19, 1946. As the Ministry is also aware, conversations have been held in a vain attempt to arrive at an arrangement whereby claimants for American citizenship now in concentration camps could be permitted to come to the Embassy to establish their right to such citizenship. In view of the fact that these efforts to assist and protect American citizens have met with little success, the Department of State had no alternative but to issue the notice quoted above.

The Embassy takes this occasion to renew to the Ministry of Foreign Affairs the assurances of its high consideration.

## Aid for Repatriating American Citizens From Albania

[Released to the press October 18]

The Department of State has been informed by the United States Mission at Tirana, Albania, that the Albanian Government is consistently refusing to issue exit permits for persons who desire to go to the United States and that banking regulations at Tirana make it impossible to use funds which have been forwarded for expenses incident to the repatriation of persons from Albania.

The Department of State will accept funds from persons in the United States to cover the cost of the repatriation of American citizens from Albania. Funds for this purpose should be forwarded to the Department in the form of a bank draft, certified check, or money order made payable to the Secretary of State of the United States, provided it is definitely known that the American citizens in question have actually obtained Albanian exit permits.

## Report of the Education Mission to Germany<sup>1</sup>

### LETTER OF TRANSMITTAL FROM GEORGE F. ZOOK TO ASSISTANT SECRETARY BENTON

*Text of letter sent by the Chairman of the Education Mission to Germany to Robert P. Patterson, Secretary of War, William Benton, Assistant Secretary of State for public affairs, and Lt. Gen. Lucius D. Clay, Deputy Military Governor, Office of Military Government for Germany (United States):*

I wish herewith to submit the report of the Education Mission which, in response to the invitation of the Department of State and the War Department, undertook to make a study of the educational program of the United States Military Government in Germany.

The members of the Mission were profoundly impressed with the significance of the educational problem in Germany, not only for the Germans but for all the world. It is hoped that the recommendations contained in this report may aid materially in the solution of these problems.

In its study the members of the Mission were assisted most effectively by the staff of Military Government at the central office in Berlin and in the three *Länder*.

For the members of the Mission I wish herewith to express to you and to all the personnel who assisted us in this study our very deep appreciation.

Very sincerely yours,

GEORGE F. ZOOK  
*Chairman*

<sup>1</sup>The complete text of the Report will be printed as Department of State publication 2664.

**LETTER OF TRANSMITTAL FROM ASSISTANT SECRETARY BENTON  
TO THE SECRETARY OF STATE**

[Released to the press October 12]

*October 12, 1946.*

The Honorable

JAMES F. BYRNES,  
*Secretary of State.*

DEAR MR. SECRETARY:

With a profound sense of the importance and the complexity of the problems under review, I transmit to you the report of the United States Education Mission to Germany.

During the war few Americans doubted the outcome of the military struggle. But many had grave misgivings about the struggle that would follow: the effort to break up the caste system which pervades the German school system and to educate the German people away from authoritarianism and aggression and toward democracy and peace. That task remains the hardest and the longest of all our responsibilities in Germany, and for the long run the most decisive.

There are many who still believe that it will not be possible, with the means at our disposal, to identify and eliminate those flaws in German society out of which aggression has sprung. Yet the challenge and the opportunity to assist in the development of a sound German culture are so great that no promising step should be left untaken. If democratic convictions and attitudes do not take root and grow in Germany, the peace of Europe remains in jeopardy. The scale of our effort must be measured against the cost of attempting to control by other measures the dangers created by an unregenerate Reich.

The responsibility for guiding the education of a highly developed but demoralized foreign people 3000 miles from our shores is certainly one for which we have had no experience. We are deeply indebted to the ten busy and distinguished men and women who undertook this unprecedented study. I express the Department's gratitude to Dr. George F. Zook, the Chairman of the Mission, and to the other nine members of the group. It is indeed remarkable that in three weeks of observation and one week of deliberation and writing they were able to gather so much important information and to formulate so many concrete suggestions.

Democracy, by its nature, cannot be imposed.

The methods employed by Goebbels, even if we were willing to use them would defeat our purpose. Nevertheless, so long as the United States has the ultimate authority it has the ultimate responsibility to see that the German people work out their own educational salvation. Our principal method in guiding German education is to advise, to encourage, to set examples; to arrange priorities, and to provide such material help as we can; and if necessary to veto proposed policies or personnel that appear to us regressive or dangerous.

The Mission believes to be sound the policy under which the occupation authorities are progressively turning over to Germans the administration of the educational system. And I am glad to record that the Mission approves in general of those educational policies now followed by the U.S. occupation authorities, except for the tragically limited scope of their application. It sees elements of hope, as well as acute problems, in the total educational situation in our zone.

Acknowledging the great value of the Mission's analyses and recommendations, I believe the paramount service it has performed is to dramatize for the American people the nature and depth of the problem. I hope that there will be widespread public and professional discussion of their report, leading to further constructive proposals and to public support of action on them. If the War Department and the Department of State had prevailed on some other ten educators to make this same trip, and prepare a report, it is probable, indeed certain, that many of the sections of the report would be very different. There is no common body of educational thought within this country which can be adequately interpreted by any ten individuals, applied to the present situation in Germany. Dr. Zook and his associates would of course be the first to agree with this.

**"Physical Condition" of the German School System**

In its survey of the present plight of the German schools, the report focuses attention on the severe physical handicaps under which they are attempting to operate today. In addition to the school buildings completely destroyed in war, and those which cannot be repaired because of lack of materials, more than three hundred in the

U.S. Zone have been requisitioned for other purposes. Overcrowding is further aggravated by the children among 2,000,000 refugees and "expellees" (chiefly from Hungary and Czechoslovakia) who have been accepted in the U.S. Zone. The shortage of coal, and lack of glass for shattered windows, means that many schools may have to close in cold weather.

There is an almost complete dearth of the tools of teaching at every level. Lack of paper is the most critical. The loss of books has been "incalculable"—at Frankfurt alone 500,000 books were lost in air raids or during evacuation. Many Nazi textbooks had to be eliminated and substitutes cannot be printed in anything approaching sufficient quantities because of the paper shortage.

More than half of all teachers were dismissed in the initial de-nazification screening: the average ratio of pupils to teachers in Bavaria, largest of the three *Länder* in our Zone, is now 83 to one. The average age of all teachers this fall in Greater Hesse, another of the *Länder*, is 52. The average number of class hours per week for each child is only 15 to 20, and in many cases only two hours a day.

Despite these difficulties, nearly every child of school age, with the exception of expellees not yet absorbed, is now in school and the Mission believes that the system is operating with "a fair degree of effectiveness".

The Mission recommends that the system of allocations and priorities for coal, paper and other essentials for education be re-examined. "Final alleviation of these difficulties can come only through a revival of the German economy, which depends upon forces world wide in scope and beyond our present competence", the report states. "Immediate alleviation of these difficulties within the present framework of scarcity can only be minimal, but even this minimal alleviation requires that the importance of the educational and cultural task for the advancement of our ultimate ends be fully recognized".

Many Americans will have reservations about the recommendation of the Mission for stepping up the teaching force to nearer its normal strength: that "the respective *Länder* ministries should be allowed to screen teachers whose dismissal was never mandatory and to re-employ at once on probationary status those found to be at once least politically unfit and most efficient ped-

agogically". A better method may be the one recently applied to the clergy: to give priority to teachers in hearings before the established denazification tribunals. However, in view of the extent to which Goebbels had taken over and restaffed the schools, a still better method would be to adopt the Mission's proposals for intensifying the training of new teachers. Dr. Zook tells me that it was the intent of the Mission that probationary status should continue for a period, even after the tribunals had cleared candidates for teaching positions.

### The Caste System in German Education

To me the most striking and important of the many proposals made by the Mission is its recommendation for the reorganization of Germany's primary and secondary schools along democratic lines. It will be a surprise to Americans who have not studied German education, and who take for granted the ideal of equal educational opportunity, to learn the extent to which caste distinctions have prevailed in the German educational system.

At the end of the fourth grade of elementary school, or about age 10, the small group that is destined for the universities and the professions is set apart in secondary schools which then prepare them for advanced work. In practice, the financial or social position of the parents is, to an overwhelming extent, the basis of selection for these secondary schools. The overwhelming majority of pupils, a large proportion of whom deserve university education because of their ability, finish elementary school and then go on to vocational education, their adult potentialities frustrated by the early and undemocratic division of the educational stream. The so-called "vocational education" is actually what we call "continuation school"—about five hours of school work per week during apprenticeship. My background in education makes me reluctant to apply the word "education" to such technical training.

"This system", the Mission says, "has cultivated attitudes of superiority in one small group and of inferiority in the majority of the members of German society, making possible the submission and lack of self determination upon which authoritarian leadership has thrived".

Such caste distinctions in education, based on money and position rather than on promise of

achievement, constitute a violation of the fundamental democratic doctrine of equal opportunity. In justice I must note that the goal of equal educational opportunity, on a merit basis, is one which we are still striving to achieve in the United States; but it is our recognized goal and we have been making substantial strides toward it.

The Mission recommends for Germany a unified and comprehensive (although not over-centralized) educational system open to all up to the university level; with secondary schools, tuition free, following consecutively after the primary schools, and embracing vocational education; and with a greatly enlarged system of scholarships at the university level. I concur wholeheartedly in the major points of this important proposal. I do not believe, however, that democratic practice requires the integration of vocational education with general secondary education under the same roof, as the Mission recommends. Equal political responsibility for all requires that the opportunity for liberal education be both universal and maximal; vocational courses should not overshadow or water down the program of liberal courses.

It is encouraging to note that responsible German educational administrators in the various *Länder* of the United States Zone have recognized the problem of overcoming caste distinctions, though no substantial progress towards its solution has yet been achieved.

#### **Student Exchanges and other Recommendations**

Other recommendations of the Mission to which I would like to call your special attention include the following:

1. The proposal that German students and teachers be permitted and aided to come to this country to study, and to observe our practices. It is my belief that, if this idea is valid, it should be carried out on a scale commensurate with the potential reward. (Obviously a few students, on the Rhodes scholarships model, will help but little.) If the United States Government decided to bring to this country, let us say, two, three or four thousand carefully selected German students annually—and that such an expenditure would prove more productive than comparable sums spent on the military establishment or on the economic rehabilitation of Germany—then we would be approaching a major disease with the surgeon's knife instead of a scalpel. There is much to be

said also for stimulating a flow to Germany of lecturers and consultants from the United States and other democratic countries.

2. Further encouragement of activities by young people, including voluntary associations largely self-directed.

3. Further encouragement of adult education programs, and especially of those which stimulate discussion of social and economic problems and of international affairs.

4. "Doubling" of the present staff of the Education and Religious Affairs Branch of Military Government (the Branch now has an authorized strength of 71 people of officer level, with 55 actually at work), and reorganization to permit the Branch to report directly to the Deputy Military Governor. If this does not suffice, we should be prepared to go further.

Implicit in many of the Mission's recommendations, although not stressed as such, are two further points that I should like to emphasize:

1. The necessity for creating a better bridge between our scholars and the scholars and intellectuals of Germany, most of whom have been cut off from contact with American thought for more than a decade.

2. The necessity for being alert against a resurgence of German nationalism in the universities. I am told that a substantial proportion of the student bodies of the German universities are now officer veterans who have spent years in uniform and who still have to learn the ways of peaceful civilian life.

One risk in any problem of this kind, and the members of the Mission are of course conscious of this, is that some of the questionable features of American education might be commended to German education through indiscriminating attachment to U.S. practices either on the part of American officials or on the part of the Germans themselves. Certainly it is undesirable to import into Germany many of the details of the American system, with all its defects as well as its virtues; nor is this necessary. For example, in the recommendation of the Mission to establish a pedagogical faculty at the German universities, comparable in importance to the centuries-old faculties of law, medicine and theology, there is the danger that the training of teachers for secondary schools will be relegated to special faculties of no great compe-

tence instead of being made, as it should be, a major responsibility of all faculties in all the major universities.

### **Broader Aspects of German Education**

A portion of the report is devoted to education in its broader sense—including the effect of the mass media of communication and the effect of the home, the church and the means of earning a livelihood. Further, political activity is in itself an educational process. The social and economic environment also profoundly affect the possibility of bringing the German people to democratic convictions and attitudes.

The Mission points out, for example, that food available to German school children in the U.S. Zone averages 1263 calories daily, far less than the figure regarded as normal. Again, of the total population of our Zone above the age of 18, only 38% are men—most of them older men. Production in our Zone is at present only a fraction of pre-war capacity. The implications for education of undernourishment, broken homes and of shortages of simple necessities are obvious. The correction of such problems requires political decisions involving powers other than the United States—for example, policy with respect to economic unification of the four zones, or with respect to German prisoners of war.

A Policy Statement for German Re-education.

prepared by a distinguished group of educators at the request of the State Department more than a year ago, pointed out, "The re-education of the German people can be effective only as it is an integral part of a comprehensive program for their rehabilitation. The cultural and moral re-education of the nation must, therefore, be related to policies calculated to restore the stability of a peaceful German economy and to hold out hope for the ultimate recovery of national unity and self-respect."

"Nowhere in the world", the Mission says, "has it been possible to erect the structure of successful democratic self-government upon starvation or economic disorder".

It is thus clear that the education of the German people to democracy and to the love of peace involves far more than the educational system, even though that system is democratically inspired and conducted.

Indispensable to the success of our effort is a political and economic setting such as you urged in your Stuttgart address, which will give the German people the hope of working their way back to a reasonable economic standard and to cultural unity, and the hope that they may ultimately take an honorable place among the free and peace loving nations of the world.

Sincerely yours,

WILLIAM BENTON

## **SUMMARY OF RECOMMENDATIONS OF THE EDUCATION MISSION TO GERMANY**

### **1. Importance of Educational Program**

The United States should continue to encourage and use education in the widest sense to attain its major purpose in Germany, namely the development of a democratic and peaceful way of life. The reeducation of the German people is an undertaking of the greatest magnitude. It can be successful only if the Germans draw upon their own resources and themselves exercise initiative. The occupying powers should continue to give them guidance, encouragement, and material aid in this undertaking. The Mission believes that the United States must regard this responsibility as a long-term task in view of the conditions prevailing in Germany.

The Mission recognizes that reeducation can be effective only in an economy which offers hope to

the Germans that the present obstacles to material security will be overcome. It recognizes also that formal education is only one aspect of the total educational problem. In addition to the school the home, the churches, youth organizations, and other institutions play an important part in forming attitudes and promoting ideals.

The program of reeducation is faced with the consequences of 12 years of Nazi rule and of total defeat. The vagaries of war's destruction are especially apparent in the physical condition of the various educational institutions of the United States zone. Even where school buildings have escaped fire and bomb, all too often they are still unavailable for educational purposes because of requisitioning. The shortage of coal threatens the very possibility of keeping educational institu-

tions open in really cold weather. The loss of books is incalculable. Lack of paper, though perhaps the most crucial, is but one example of an almost complete dearth of every possible teaching aid at every level. Moreover, the schools must educate their students, augmented by displaced persons, expellees, and a backlog of war veterans, with a professional personnel inadequate in both quality and quantity.

## **2. Elementary and Secondary Schools**

In view of the fact that class distinctions are still emphasized in the very organization of the school, elementary, secondary, and vocational schools should be united to form a comprehensive school system for all children and youth below the university level. All secondary schools should be tuition-free so that attendance will no longer be limited to the privileged. In both the elementary and secondary schools there should be a common curriculum, with opportunities for increasing specialization in the upper grades. The most important change needed in all German schools is a change in the whole concept of the social sciences, which should contribute perhaps the major share to the development of democratic citizenship. School life in all its phases must be so organized as to provide experience in democratic living. The sharp shift in job opportunities has intensified a need for vocational guidance as a regular service of the educational system. The usual school program should also be extended to make provision for the needs of children under six and of older children during out-of-school hours. School feeding and rest programs should also be included as needed.

## **3. Teacher Training**

Since de-Nazification in our zone was carried out with such initial severity that more than half of all teachers were removed, former teachers who are almost certain to be exonerated by the de-Nazification tribunals should be reemployed on probationary status. The interest of women in teaching should be encouraged. The vital place of elementary teachers in the educational system of Germany must be recognized by higher salaries and by the requirement of a higher general standard of education. German universities should accept the responsibility for developing better methods and practices in both the elementary and

secondary schools and for the professional training of secondary-school teachers, research workers, and administrative officers. Special lecturers and consultants from the United States and other democratic countries could help to broaden the outlook of prospective teachers. Candidates for teaching should also learn at first hand the spirit and attitude of democracy by observation of the schools established for the children of United States personnel in Germany, and whenever possible through study in democratic countries. A comprehensive national organization open to teachers of all levels and fields should be created, and eventually international affiliations should be established.

## **4. Universities and Higher Education**

Young men and women having the initiative and energy to rebuild the universities and adapt them more closely to the needs of present-day life in Germany should be given positions of responsibility. Students should be drawn from all levels of society; financial assistance should be provided for those who have the ability but lack the means to study at a higher institution. Broadly representative advisory bodies should be appointed to advise concerning ways in which the curriculum should be modified to adapt it more closely to changing social conditions. All universities and higher schools should include within each curriculum the essential elements of general education for responsible citizenship and for an understanding of the contemporary world. German universities and higher schools should also provide for new types of advanced instruction required by emerging vocational and professional groups. Extra-curricular activities such as informal discussion groups and student government should be inaugurated to provide practical experience with the processes of democracy.

## **5. Youth Activities**

The youth-activities program which aims to provide for a constructive use of leisure time and training in democratic ways should be expanded. Voluntary associations of young people should assume a larger degree of self-direction and enrich their programs, which should include political education of a non-partisan and realistic character. There should be provision for cooperation among the various groups through cultural and recrea-

tional programs and in community-wide committees. Youth committees should stimulate the formation of new groups, secure all available resources, and develop vigorous programs of leadership training.

## 6. Adult Education

Adult-education programs should place greater emphasis upon current economic and social problems in national and international affairs, and the discussion method should be given a much more important role. Administrators should not confine their work to the people's colleges, but should assist in developing the educational programs of trade unions, youth groups, churches, and other organizations. University extension programs should also be encouraged. Adult education should reach out into the village and rural areas. Extensive use should be made of documentary films, especially those which demonstrate the functioning of democratic institutions, and of radio programs such as round-table discussions and forums.

## 7. Administrative Controls

It is hoped that the whole program for education will become subject more and more to interzonal review and consultation. The Mission recommends the policy of patience and firmness which United States authorities maintain on educational and other cultural issues. We should continue to admit no compromise in setting as objectives for the German people the ideals of freedom of teaching, freedom of private and public expression, and freedom of publication. The Germans have been promised the ultimate unity of their nation, and that includes the unity of their cultural life. There is no desire to restore centralized control of education, but it may eventually be desirable to establish a German central office of education, not for control but for ready dissemination of information and for the management of exchange of foreign students and other service enterprises. The administration of education in the United States zone is now and should remain a function of the three *Länder*. There should, however, be extended cooperation among the *Land* educational officials, perhaps including the establishment, with United States assistance, of a joint institution for educational research and service.

The Education and Religious Affairs Branch of Military Government, in addition to its advisory function, must necessarily have the right of veto over undemocratic proposals of the *Land* education ministries. The limited staff in all phases of the informational and educational program have done a remarkable job under the most difficult circumstances. But if the educational task is at once the hardest and most important task facing Military Government in Germany today, as has been said repeatedly by the most responsible officials, there should be available not only a more adequate staff but educational counsel and advice of the highest character. The Educational and Religious Affairs Branch should be doubled in size and civilianized as far as possible. It should have the status of a division in the Office of Military Government, its head reporting directly to the Deputy Military Governor. It is also recommended that the Department of State and the War Department appoint a continuing advisory committee of interested and competent persons with which the two departments may consult on matters of major educational policy and operations.

## 8. American Aid to Germany

### *a. Allocation of facilities and equipment*

It is recommended that every effort be made by the United States Army and any other agencies involved to make adequate space available for teaching and for living accommodations in university communities. Policies with regard to paper rationing should be reexamined with the purpose of allocating a larger proportion to books and scholarly journals; and restrictions on the importation of books, paper, journals, and other instruments of culture should be modified. Materials and equipment for the production and distribution of educational films should be released. The program of Army Assistance to German Youth, whereby resources are made available for informal sports and cultural activities, should be continued.

### *b. Revival of cultural contacts*

The United States has a unique opportunity to influence the fundamental reorientation of the German educational program in the direction of democratic goals and procedures. The Government of the United States should continue its pres-

ent program of educational aid to Germany in the form of American publications and documentary films, the dispatch of educational experts to Germany, and the maintenance of information centers. The budget for this program, which is making an impact upon the cultural life of Germany in ways that will strengthen the latent forces of democracy, should remain at least at its present size. It is recommended that this program be supplemented by the provision of funds for bringing carefully selected German students, teachers, and other cultural leaders to the United States for a period of training. The provisions of the Fulbright law relating to student and teacher exchanges should be extended to Germany as soon as possible.

A voluntary body should be set up in Washing-

ton to coordinate the work of individuals and private organizations in educational aid to Germany and to serve as a liaison with the governmental agencies concerned. This coordinating body should serve as a clearing-house for information and should secure the assistance of private organizations in recruiting personnel for teaching and other cultural work in Germany, in making it possible for Germans to study in the United States, and in providing quantities of books and other materials of educational value. The private exchange of publications and other materials should also be coordinated through a central agency. This agency should have authority to accept contributions to a fund which would enable Germans to purchase cultural materials in the United States.

## Prosecution of Major Nazi War Criminals

### FINAL REPORT TO THE PRESIDENT FROM SUPREME COURT JUSTICE ROBERT H. JACKSON

*October 7, 1946*

THE PRESIDENT,  
THE WHITE HOUSE,  
Washington, D.C.

MY DEAR MR. PRESIDENT:

I have the honor to report as to the duties which you delegated to me on May 2, 1945<sup>2</sup> in connection with the prosecution of major Nazi war criminals.

The International Military Tribunal sitting at Nurnberg, Germany on 30 September and 1 October, 1946 rendered judgment in the first international criminal assizes in history. It found 19 of the 22 defendants guilty on one or more of the counts of the Indictment, and acquitted 3. It sentenced 12 to death by hanging, 3 to imprisonment for life, and the four others to terms of 10 to 20 years imprisonment.

The Tribunal also declared 4 Nazi organizations to have been criminal in character. These are: The Leadership Corps of the Nazi Party; *Die Schutzstaffeln*, known as the SS; *Die Sicherheitsdienst*, known as the SD; and *Die Geheimstaatspolizie*, known as the Gestapo, or Secret State Police. It declined to make that finding as to *Die Sturmabteilungen*, known as the SA; the *Reichscabinet*, and the General Staff and High Command. The latter was solely because the

structure of the particular group was considered by the Tribunal to be too loose to constitute a coherent "group" or "organization," and was not because of any doubt of its criminality in war plotting. In its judgment the Tribunal condemned the officers who performed General Staff and High Command functions as "a ruthless military caste" and said they were "responsible in large measure for the miseries and suffering that have fallen on millions of men, women and children. They have been a disgrace to the honorable profession of arms." This finding should dispose of any fear that we were prosecuting soldiers just because they fought for their country and lost, but otherwise the failure to hold the General Staff to be a criminal organization is regrettable.

The magnitude of the task which, with this judgment, has been brought to conclusion may be suggested statistically: The trial began on November 20, 1945 and occupied 216 days of trial time. 33 witnesses were called and examined for the prosecution. 61 witnesses and 19 defendants

<sup>1</sup>Justice Jackson was Representative of the United States and Chief of Counsel, International Military Tribunal, Nurnberg, Germany. The report was released to the press by the White House on Oct. 16.

<sup>2</sup> BULLETIN of May 6, 1945. p. 866.

testified for the defense; 143 additional witnesses gave testimony by interrogatories for the defense. The proceedings were conducted and recorded in four languages—English, German, French, and Russian—and daily transcripts in the language of his choice was provided for each prosecuting staff and all counsel for defendants. The English transcript of the proceedings covers over 17,000 pages. All proceedings were sound-reported in the original language used.

In preparation for the trial over 100,000 captured German documents were screened or examined and about 10,000 were selected for intensive examination as having probable evidentiary value. Of these, about 4,000 were translated into four languages and used, in whole or in part, in the trial as exhibits. Millions of feet of captured moving picture film were examined and over 100,000 feet brought to Nurnberg. Relevant sections were prepared and introduced as exhibits. Over 25,000 captured still photographs were brought to Nurnberg, together with Hitler's personal photographer who took most of them. More than 1,800 were selected and prepared for use as exhibits. The Tribunal, in its judgment, states, "The case, therefore, against the defendants rests in large measure on documents of their own making, the authenticity of which has not been challenged except in one or two cases." The English translations of most of the documents are now being published by the Departments of State and War in eight volumes and will be a valuable and permanent source for the war history. As soon as funds are available, additional volumes will be published so that the entire documentary aspect of the trial—prosecution and defense—will be readily available.

As authorized by your Executive Order, it was my policy to borrow professional help from Government Departments and agencies so far as possible. The War Department was the heaviest contributor, but many loans were also made by the State, Justice, and Navy Departments and, early, by the Office of Strategic Services. All have responded generously to my requests for assistance. The United States staff directly engaged on the case at Nurnberg, including lawyers, secretaries, interpreters, translators, and clerical help numbered at its peak 654, 365 being civilians and 289 military personnel. British, Soviet and French delegations aggregated approximately the same number. Nineteen adhering nations also sent rep-

resentatives, which added thirty to fifty persons to those actively interested in the case. The press and radio had a maximum of 249 accredited representatives who reported the proceedings to all parts of the world. During the trial over 60,000 visitors' permits were issued, but there is a considerable and unknown amount of duplication as a visitor was required to have a separate permit for each session attended. Guests included leading statesmen, jurists, and lawyers, military and naval officers, writers, and invited representative Germans.

On the United States fell the obligations of host nation at Nurnberg. The staffs of all nations, the press, and visitors were provided for by the United States Army. It was done in a ruined city and among an enemy population. Utilities, communications, transport, and housing had been destroyed. The Courthouse was untenable until extensively repaired. The Army provided air and rail transportation, operated a motor pool for local transportation, set up local and long distance communications service for all delegations and the press, and billeted all engaged in the work. It operated messes and furnished food for all, the Courthouse cafeteria often serving as many as 1,500 lunches on Court days. The United States also provided security for prisoners, judges, and prosecution, furnished administrative services, and provided such facilities as photostat, mimeograph, and sound recording. Over 30,000 photostats, about fifty million pages of typed matter, and more than 4,000 record discs were produced. The Army also met indirect requirements such as dispensary and hospital, shipping, postal, post exchange, and other servicing. It was necessary to set up for this personnel every facility not only for working, but for living as well, for the community itself afforded nothing. The Theatre Commander and his staff, Military Government officials, area commanders and their staffs, and troops were cordially and tirelessly cooperative in meeting our heavy requirements under unusual difficulties and had the commendation, not only of the American staff, but of all others.

It is safe to say that no litigation approaching this in magnitude has ever been attempted. I trust my pride will be pardonable in pointing out that this gigantic trial was organized and ready to start the evidence on November 20, 1945—less than seven months after I was appointed and after the sur-

render of Germany.<sup>1</sup> It was concluded in less time than many litigations in the regularly established Courts of this country which proceed in one language instead of four. If it were not that the comparison might be deemed invidious, I could cite many anti-trust actions, rate cases, original cases, in the United States Supreme Court, and other large litigations that have taken much longer to try.

In this connection it should be noted that we decided to install facilities for simultaneous interpretation of the proceedings into four languages. This was done against the advice of professional interpreters of the old school that it "would not work." It does work, and without it the trial could not have been accomplished in this time, if at all. To have had three successive translations of each question, and then three of each answer, and to have had each speech redelivered three times in different languages after the first delivery finished, would have been an intolerable waste of time. The system we used makes one almost unaware of the language barrier so rapidly is every word made available in each language.

## II.

Although my personal undertaking is at an end, any report would be incomplete and misleading which failed to take account of the general war crimes work that remains undone and the heavy burden that falls to successors in this work. A very large number of Germans who have participated in the crimes remains unpunished. There are many industrialists, militarists, politicians, diplomats, and police officials whose guilt does not differ from those who have been convicted except that their parts were at lower levels and have been less conspicuous.

Under your Executive Order of January 16, 1946, the war crimes functions devolve upon Military Government upon my retirement.<sup>2</sup> At the time this order was signed it was agreed between Military Government and myself that I would at once name Brigadier General Telford Taylor as deputy in charge of preparing subsequent proceedings, and that upon my retirement he would be named to take over the war crimes prosecution on behalf of Military Government. He has assembled a staff and prepared a program of prosecutions against representatives of all the important segments of the Third Reich including a con-

siderable number of industrialists and financiers, leading cabinet ministers, top SS and police officials, and militarists. Careful analysis is being made of the Tribunal's decision to determine any effects of the acquittal of Schacht and Von Papen upon this plan of prosecution of industrialists and financiers who are clearly subject to prosecution on such specific charges as the use of slave labor.

The unsettled question is by what method these should be tried. The most expeditious method of trial and the one that will cost the United States the least in money and in manpower is that each of the occupying powers assume responsibility for the trial within its own zone of the prisoners in its own custody. Most of these defendants can be charged with single and specific crimes which will not involve a repetition of the whole history of the Nazi conspiracy. The trials can be conducted in two languages instead of four, and since all of the judges in any one trial would be of a single legal system no time would be lost adjusting different systems of procedure.

A four-power, four-language international trial is inevitably the slowest and most costly method of procedure. The chief purposes of this extraordinary and difficult method of trial have been largely accomplished, as I shall later point out.

There is neither moral nor legal obligation on the United States to undertake another trial of this character. While the International Agreement makes provision for a second trial, minutes of the negotiations will show that I was at all times candid to the point of being blunt in telling the conference that the United States would expect one trial of the top criminals to suffice to document the war and to establish the principles for which we contended, and that we would make no commitment to engage in another.

It has been suggested by some of our Allies that another international trial of industrialists be held. The United States proposed to try in the first trial not only Alfried Krupp, but several other industrialists and cartel officials. Our proposal was defeated by the unanimous vote of our three Allies. After indictment, when it appeared that the elder Krupp was too ill to be tried, the United States immediately moved that Alfried Krupp be added as a defendant and tried for the

<sup>1</sup> BULLETIN of Nov. 29, 1945, p. 850.

<sup>2</sup> Executive Order 9679 (10 *Federal Register*), p. 703.

crimes which he had committed as chief owner and president of the Krupp armament works. This was likewise defeated by the Combined vote of all our Allies. Later, the Soviet and French joined in a motion to include Krupp, but it was denied by the Tribunal. This is not recited in criticism of my associates; it was their view that the number of defendants was already sufficiently large and that to add others would delay or prolong the trial. However, if they were unwilling to take the additional time necessary to try industrialists in this case, it does not create an obligation on the United States to assume the burdens of a second international trial.

The quickest and most satisfactory results will be obtained, in my opinion, from immediate commencement of our own cases according to plans which General Taylor has worked out in the event that such is your decision. Of course, appropriate notifications should be given to the nations associated with us in the first trial.

Another item of unfinished business concerns the permanent custody of captured documents. In the hands of the prosecution and of various agencies there are large numbers of documents in addition to those that have been used which have not been examined or translated but which probably contain much valuable information. These are the property of the United States. They should be collected, classified, and indexed. Some of them may hold special interest for particular agencies; all of them should be available ultimately to the public. Unless some one qualified agency, such as the Library of Congress, is made responsible for this work and authorized to take custody on behalf of the United States, there is considerable danger that these documents will become scattered, destroyed, or buried in specialized archives. The matter is of such importance as to warrant calling it to your attention.

### III.

The vital question in which you and the country are interested is whether the results of this trial justify this heavy expenditure of effort. While the sentences imposed upon individuals hold dramatic interest, and while the acquittals, especially of Schacht and Von Papen, are regrettable, the

importance of this case is not measurable in terms of the personal fate of any of the defendants who were already broken and discredited men. We are too close to the trial to appraise its long-range effects. The only criterion of success presently applicable is the short-range test as to whether we have done what we set out to do. This was outlined in my report to you on June 7, 1945.<sup>1</sup> By this standard we have succeeded.

The importance of the trial lies in the principles to which the Four Powers became committed by the Agreement, by their participation in the prosecution, and by the judgment rendered by the Tribunal.<sup>2</sup> What has been accomplished may be summarized as follows:

1. We negotiated and concluded an Agreement with the four dominant powers of the earth, signed at London on August 8, 1945, which for the first time made explicit and unambiguous what was theretofore, as the Tribunal has declared, implicit in International Law, namely, that to prepare, incite, or wage a war of aggression, or to conspire with others to do so, is a crime against international society, and that to persecute, oppress, or do violence to individuals or minorities on political, racial, or religious grounds in connection with such a war, or to exterminate, enslave, or deport civilian populations, is an international crime, and that for the commission of such crimes individuals are responsible. This Agreement also won the adherence of nineteen additional nations and represents the combined judgments of the overwhelming majority of civilized people. It is a basic charter in the International Law of the future.

2. We have also incorporated its principles into a judicial precedent. "The power of the precedent," Mr. Justice Cardozo said, "is the power of the beaten path." One of the chief obstacles to this trial was the lack of a beaten path. A judgment such as has been rendered shifts the power of the precedent to the support of these rules of law. No one can hereafter deny or fail to know that the principles on which the Nazi leaders are adjudged to forfeit their lives constitute law—and law with a sanction.

3. The Agreement devised a workable procedure for the trial of crimes which reconciled the basic conflicts in Anglo-American, French, and Soviet procedures. In matters of procedure, legal systems differ more than in substantive law. But the

<sup>1</sup> BULLETIN of June 10, 1945, p. 1071.

<sup>2</sup> BULLETIN of Aug. 12, 1945, p. 214.

Charter set up a few simple rules which assured all of the elements of fair and full hearing, including counsel for the defense. Representatives of the Four Powers, both on the Bench and at the Prosecutors' tables, have had to carry out that Agreement in day-to-day cooperation for more than a year. The law is a contentious profession and a litigation offers countless occasions for differences even among lawyers who represent the same clients and are trained in a single system of law. When we add the diversities of interests that exist among our four nations, and the differences in tradition, viewpoint and language, it will be seen that our cooperation was beset with real difficulties. My colleagues, representing the United Kingdom, France, and the Soviet Union, exemplified the best professional tradition of their countries and have earned our gratitude for the patience, generosity, good will and professional ability which they brought to the task. It would be idle to pretend that we have not had moments of difference and vexation, but the steadfast purpose of all delegations that this first international trial should prove the possibility of successful international cooperation in use of the litigation process, always overcame transient irritations.

4. In a world torn with hatreds and suspicions where passions are stirred by the "frantic boast and foolish word," the Four Powers have given the example of submitting their grievances against these men to a dispassionate inquiry on legal evidence. The atmosphere of the Tribunal never failed to make a strong and favorable impression on visitors from all parts of the world because of its calmness and the patience and attentiveness of every Member and Alternate on the Tribunal. The nations have given the example of leaving punishment of individuals to the determination of independent judges, guided by principles of law, after hearing all of the evidence for the defense as well as the prosecution. It is not too much to hope that this example of full and fair hearing, and tranquil and discriminating judgment will do something toward strengthening the processes of justice in many countries.

5. We have documented from German sources the Nazi aggressions, persecutions, and atrocities with such authenticity and in such detail that there can be no responsible denial of these crimes in the future and no tradition of martyrdom of the Nazi

leaders can arise among informed people. No history of this era can be entitled to authority which fails to take into account the record of Nurnberg. While an effort was made by Goering and others to portray themselves as "glowing patriots," their admitted crimes of violence and meanness, of greed and graft, leave no ground for future admiration of their characters and their fate leaves no incentive to emulation of their examples.

6. It has been well said that this trial is the world's first post mortem examination of a totalitarian regime. In this trial, the Nazis themselves with Machiavellian shamelessness exposed their methods of subverting people's liberties and establishing their dictatorship. The record is a merciless expose of the cruel and sordid methods by which a militant minority seized power, suppressed opposition, set up secret political police and concentration camps. They resorted to legal devices such as "protective custody," which Goering frankly said meant the arrest of people not because they had committed any crime but because of acts it was suspected they might commit if left at liberty. They destroyed all judicial remedies for the citizen and all protections against terrorism. The record discloses the early symptoms of dictatorship and shows that it is only in its incipient stages that it can be brought under control. And the testimony records the German example that the destruction of opposition produces eventual deterioration in the government that does it. By progressive intolerance a dictatorship by its very nature becomes so arbitrary that it cannot tolerate opposition, even when it consists merely of the correction of misinformation or the communication to its highest officers of unwelcome intelligence. It was really the recoil of the Nazi blows at liberty that destroyed the Nazi regime. They struck down freedom of speech and press and other freedoms which pass as ordinary civil rights with us, so thoroughly that not even its highest officers dared to warn the people or the Fuehrer that they were taking the road to destruction. The Nurnberg trial has put that handwriting on the wall for the oppressor as well as the oppressed to read.

Of course, it would be extravagant to claim that agreements or trials of this character can make aggressive war or persecution of minorities impossible, just as it would be extravagant to claim

that our federal laws make federal crime impossible. But we cannot doubt that they strengthen the bulwarks of peace and tolerance. The four nations through their prosecutors and through their representatives on the Tribunal, have enunciated standards of conduct which bring new hope to men of good will and from which future statesmen will not lightly depart. These standards by which the Germans have been condemned will become the condemnation of any nation that is faithless to them.

By the Agreement and this trial we have put International Law squarely on the side of peace as against aggressive warfare, and on the side of humanity as against persecution. In the present depressing world outlook it is possible that the Nurnberg trial may constitute the most important moral advance to grow out of this war. The trial and decision by which the four nations have forfeited the lives of some of the most powerful political and military leaders of Germany because they have violated fundamental International Law, do more

than anything in our time to give to International Law what Woodrow Wilson described as "the kind of vitality it can only have if it is a real expression of our moral judgment."

I hereby resign my commission as your representative and Chief of Counsel for the United States. In its execution I have had the help of many able men and women, too many to mention individually, who have made personal sacrifice to carry on a work in which they earnestly believed. I also want to express deep personal appreciation for this opportunity to do what I believe to be a constructive work for the peace of the world and for the better protection of persecuted peoples. It was, perhaps, the greatest opportunity ever presented to an American lawyer. In pursuit of it many mistakes have been made and many inadequacies must be confessed. I am consoled by the fact that in proceedings of this novelty, errors and missteps may also be instructive to the future.

Respectfully submitted,

ROBERT H. JACKSON

#### REPLY OF PRESIDENT TRUMAN TO JUSTICE JACKSON

[Released to the press by the White House October 17]

The President on October 17 sent the following letter to Supreme Court Justice Robert H. Jackson, accepting his resignation as Representative of the United States and Chief of Counsel, International Military Tribunal:

DEAR MR. JUSTICE JACKSON:

I have read and studied deeply the report which you submitted under date of October seventh last concerning the prosecution of major Nazi war criminals at Nurnberg. No litigation approaching this, the first international criminal assize in history, ever was attempted.

For my own part I have no hesitancy in declaring that the historic precedent set at Nurnberg abundantly justifies the expenditure of effort, prodigious though it was. This precedent becomes basic in the international law of the future. The principles established and the results achieved place International Law on the side of peace as against aggressive warfare.

I am convinced that the verdict for which you worked will receive the accolade of civilized people everywhere and will stand in history as a beacon

to warn international brigands of the fate that awaits them.

Although your own part in the dispensing of international justice is at an end there remains, as you emphasize, the task of meting out justice to the German militarists, industrialists, politicians, diplomatists and police officials whose guilt does not differ from the guilt of the criminals who have already been dealt with except that these remaining malefactors played their miserable roles at lower levels. I note what you say concerning the method through which these remaining criminals are to be brought to justice. The recommendations which you make in this regard, coming as they do out of your experience at Nurnberg, will be given careful consideration.

In accepting, effective as of this day, your resignation as representative of the President, and Chief of Counsel for the United States, I can but tender you my heartfelt thanks and the thanks of the Nation for the great service which you have rendered.

Very sincerely yours,

HARRY S. TRUMAN

# Arbitration in Inter-American Affairs

BY ASSISTANT SECRETARY BRADEN<sup>1</sup>

The American republics were conceived in liberty and their peoples possess the "liberal spirit". It is natural, therefore, that reason take the place of force, that moral values be supported irrespective of material considerations and that the clear expression of their obligations, rights and purposes be the guideposts of these republics in the conduct of their international relations. In order that the most ample and favorable opportunity may be afforded for the exercise of liberal principles, the countries of this hemisphere, in a spirit of international cooperation and continental solidarity, have adopted the procedure of consulting freely and frequently with one another on matters of common interest. In this way potential differences have been caught at their inception, before they have become irritants and before irrevocable stands have been taken or the stubbornness of human vanity has spread its paralyzing poison. Through frank interchanges of divergent opinions the heat and elamor of argument have been dissipated by a true knowledge of the facts and mutually satisfactory accommodations have been reached.

To get together in a friendly and intimate atmosphere, free from the glare and provocative light of public scrutiny, in order to talk over differences may be highly effective under any circumstances, but the most favorable results are achieved when it is done under experienced guidance. The Inter-American and Canadian-American Commercial Arbitration Commissions offer that guidance. Throughout the hemisphere, they have established in every important center what may rightly be called clinics for preventive law. Their scientific approach, comparable to that of preventive medicine, under the auspices of trained conciliators, brings together men who have fallen out in their business dealings. Differences which appear obscure and intangible from afar become clear and concrete when thus expertly examined near at hand. The respective strengths and weak-

nesses of both sides are put in balance. This talking things over with or in the presence of an impartial third person has a calming effect. Each disputant develops an ability to put himself in the other fellow's place and to recognize that what he had thought was coal black or pure white, in reality is often grey. Frequently some prejudice or linguistic or other misunderstanding is found to have influenced one or the other party more than the actual points at issue. These influences once discovered in discussion are often readily removed and satisfactory settlements are concluded.

As a result of these mediatory conversations 90 percent of all the claims referred to the Inter-American Commercial Arbitration Commission are adjusted without even the appointment of special arbitrators. That is to say, fact-finding, conciliation, and mediation go hand in hand with arbitration.

The overwhelming majority of the remaining 10 percent, which actually get to arbitration, are fairly and satisfactorily settled—and far more expeditiously and inexpensively settled than they ever could have been by courts of law. In fact, when the parties reside in different countries, it is extremely difficult for jurisdiction to be established, or for execution thereof to be obtained. Hence, in international commercial dealings, arbitration becomes not only the best but well-nigh the only practical and economical procedure. Any business dispute which crosses national boundaries and which arbitration does not resolve may very possibly remain permanently unresolved.

I vividly recall how the boom and subsequent depression following World War I created countless misunderstandings among the merchants of the American republics. Practically no effective arbitration facilities then existed and most of the disputes remained unadjusted, were left to fester, and caused ill-will, which seriously prejudiced

<sup>1</sup> Excerpts from an address made before the Boston Conference on Distribution in Boston, Mass., on Oct. 14, and released to the press on the same date.

our friendly relations. It is indeed fortunate that we now possess, in the Inter-American Commercial Arbitration Commission, a fully competent and trusted organization which can and does isolate the disputes, applies to them preventive and curative measures, and so averts a plague of disagreements which otherwise would undermine the business health of the hemisphere. This Commission, I understand, has become the most extensive and unified system in the history of arbitration. It consists of 100 members in all of the American republics. There are 18 national committees. These, the arbitral panels, and others involved in the Commission's work total 1,036 persons. The cases presented to it have covered about 25 different types of disputes. During the recent war the Commission has settled literally hundreds of claims and controversies. It will continue to do so in peacetime.

So desirable does the Department of State consider the arbitration of business disputes between its nationals and those of other countries that it is incorporating suitable provisions therefor in the proposals it is now advancing for commercial treaties with a number of other governments.

Certainly the inclusion of such stipulations on arbitration will create a confidence, which, implemented by the wide-spread services offered by the Inter-American Commercial Arbitration Commission, will ease the way for, speed up, and therefore increase the interchange and distribution of goods throughout the 21 American republics. I submit that here is a highly valuable instrument of trade, whose employment merits the full endorsement and support of the Boston Conference on Distribution.

As a disciple of the Jeffersonian proposition that ideally that government is best which governs least, I believe industry and commerce should resort so infrequently as possible to government, even in its capacity as a dispenser of justice, and instead they should provide for themselves the maximum attainable to essential regulation. This the American Arbitration Association and the Inter-American and Canadian-American Commissions do most competently by privately ironing out misunderstandings and disputes. They both typify and augment the efficiency of private enterprise.

In this latter connection, I have publicly and repeatedly put on the record—as I did four weeks ago in Chicago—my conviction “that private enterprise is the best and in most circumstances the only really sound means to develop the known or unknown resources of a new country.” I underscore this point now because if we wish substantially to increase the distribution of our goods in the other republics and of theirs here, our private enterprises must, with their capital and techniques, collaborate with those countries to increase their national wealth and to raise standards of living. There is one way and only one way by which standards of living and real wages can be raised; that is, by increasing per capita productivity through the adoption of the most modern machinery, tools, and methods, and by efficient management. The job, at best, will be long and difficult, but it must be done. In the measure that it is done throughout the hemisphere, the general level of production will rise; correspondingly distribution will be wider and the interchange of goods will increase. The welfare of all our peoples may be enhanced by higher standards of living based on higher real wages and greater access to the good things of life.

This is a challenge to private enterprise which, I am confident, it will more than meet. It is not a proper undertaking in which to use either government funds or administration. Government, with certain strictly limited and manifest exceptions, should stay out of business. The United States fought and made its decisive contribution to winning the war in order to eliminate the danger of totalitarian ideology and stateism. To permit them now to rear their heads in our midst, in the economic or any other area, would be a repudiation of the liberal spirit for which we stand and would mean that we had lost the peace! We of the Americas, as has been made abundantly clear by the statesman of this hemisphere, are irrevocably opposed to unnecessary intervention by the state in our private affairs.

In order to assist in converting these concepts I have expressed into concrete programs, the Department of State is anxious in every appropriate way to cooperate and counsel with private enterprise.

In this new world we want none of the rigidly

regulated and *static* equilibrium which in the end spells death. We are opposed to the freezing of our economic relationships in the name of economic security, to the denial of opportunity and the frustration of initiative, for this is the palliative that eventually kills. Instead, we want motion, the free play of enterprise, the *dynamic* equilibrium between economic security and economic opportunity, the steady, vigorous progress of compelling competition under democratic capitalism. Of course, motion creates friction and heat, which will destroy the machine unless there is an effective cooling and lubricating system. Precisely such a system—and a highly efficient one—fortunately exists in the form of the arbitration organizations, which have so signally honored me on this splendid occasion, and which are themselves deserving of all honor from those of us who cherish the cause of international peace and prosperity.

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**UNESCO Delegation**—Continued from page 755

Nations Educational, Scientific and Cultural Organization, which will convene in Paris on November 19:

Assistant Secretary of State William Benton  
 Archibald MacLeish  
 Arthur H. Compton, Chancellor, Washington University,  
 St. Louis, Mo.  
 Mrs. Anne O'Hare McCormick, member of editorial  
 board, *New York Times*  
 George D. Stoddard, President, University of Illinois  
 Milton S. Eisenhower, President, Kansas State College,  
 Manhattan, Kans.  
 Chester Bowles  
 Charles Johnson, Director, Department of Social Sci-  
 ences, Fisk University, Nashville, Tenn.  
 Mrs. Anna Rosenberg, member of the advisory board,  
 Office of War Mobilization and Reconversion  
 George N. Shuster, President, Hunter College, New York,  
 N. Y.

The first five are voting delegates. Assistant Secretary Benton will serve as chairman of the delegation, and Archibald MacLeish as deputy chairman.

Also a part of the delegation will be a group of advisers and special consultants to be named shortly. It is expected that the delegation will leave the United States between November 11 and November 16.

## Wheat Allotted to South American Countries

[Released to the press October 17]

The United States has arranged special allotments of wheat and wheat milled into flour for Brazil, Bolivia, Peru, and Uruguay, the Department of State announced on October 17.

The allotments were authorized and handled by the Department of Agriculture under the recently announced world-wide quarterly wheat- and flour-export program. They were made through the Department of State at the request of the four nations, who are in dire need of wheat.

The new global quarterly program of allotments is designed to replace the old monthly shipment program.

Covering the fourth quarter of 1946, the allotments were arranged as follows:

Brazil—120,000 long tons of wheat and wheat milled into flour.

Peru and Bolivia—17,000 long tons each of wheat and wheat milled into flour.

Uruguay—17,000 long tons of wheat.

In addition to the above, other amounts of wheat and wheat milled into flour, still undelivered because of the ship strike, will be shipped to the South American nations as follows:

Brazil—approximately 60,000 long tons of wheat and wheat milled into flour.

Uruguay—17,000 long tons of wheat.

Peru—10,600 long tons of wheat milled into flour.

Bolivia—10,000 long tons of wheat milled into flour.

## World Trade in U. S. Foreign Policy

On October 19 the Under Secretary of State for Economic Affairs, William L. Clayton, discussed with Sterling Fisher, Director of the NBC University of the Air, the part world trade plays in foreign policy. This program was one in a series entitled "Our Foreign Policy", presented by NBC. For a complete text of the radio program entitled "What Part Does World Trade Play in Our Foreign Policy?" see Department of State press release 748 of October 19.

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*The Department of State* bulletin

VOL. XV, No. 383 • PUBLICATION 2673

November 3, 1946

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, 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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Published with the approval of the  
Director of the Bureau of the Budget

## AMERICAN WOOL IMPORT POLICY

by James Gilbert Evans

*An international wool meeting will be held in London November 11-16, the purpose of which is to provide an opportunity for joint review and discussion of the world apparel-wool situation by representatives of governments principally interested in wool, whether consumers or producers. A brief summary of American apparel-wool import policy is therefore pertinent to an understanding of the problems involved in the formulation of national and international programs.*

The United States is interested in apparel wool both as a producer and as an importer. Although United States dependence on foreign wool appeared to be declining before the war, requirements for the armed forces since 1940 necessitated greatly increased importation. Since the end of hostilities, consumption has remained well above the pre-war level and the United States continues its role as a major importer of apparel wool. Domestic wools have been supported at prices above the duty-paid prices of foreign wools since 1940.

World production of apparel wool was maintained during the war years, but world consumption declined with the loss of important markets in Europe and Japan. The carry-over stocks accumulated since 1940 threaten to overhang the world market for many years.

As a major importer, United States apparel-wool price-support and import policy is of some concern to foreign wool growers. Likewise, pricing and export policies followed in the liquidation of world apparel-wool stocks are of concern to United States wool growers.

### The Inter-War Period

#### Import Duties

Wool growers in the United States have had

tariff protection since 1816, except for the periods 1894-97 and 1913-21, when wool was on the free list. At the time of the passage of the Underwood act of 1913 placing wool on the free list, the import duty was 11 cents a pound grease basis, which, owing to the high yields of imported wools, was equivalent to about 20 cents a clean pound. A sharp fall in prices in 1921 led to the inclusion of a wool duty of 45 cents a scoured pound on most imports under the Emergency Tariff Act of 1921. This tariff was replaced by the Fordney-McComber tariff act of 1922, which established the basic duty on a clean content basis at 31 cents a pound for wools finer than 44's.<sup>1</sup> Since 1930, with the enactment of the Smoot-Hawley tariff act, the duty on the same wools has been 34 cents. The duties on 44's and coarser wools were substantially reduced in the act of 1930.

Wools finer than 44's constitute about 98.5 percent of the total domestic-wool production. No reduction in the duties on these wools has been made through concessions in trade agreements. Concessions were made in the trade agreement with Argentina in 1941 and later included in the

<sup>1</sup>The spinning count number denotes the degree of fineness of wool fiber.

trade agreement with Uruguay with respect to duties on the coarser apparel wools, which the United States produces only in negligible quantities.

The average *ad valorem* equivalent rate of duty on wools finer than 44's but not finer than 56's was 76.5 percent of the declared import value for the years 1936-39. On wools finer than 56's the average was 62 percent. Since the wool duty is specific, the *ad valorem* equivalent rises as the price of wool declines.

The average farm price for wool in the years 1935-39 averaged 102 percent of parity (1909-14 base). During the same years, 1935-39, farm prices for cotton averaged 65 percent of parity, for corn 84 percent, and for wheat 74 percent.

Domestic-wool prices on the Boston market have fluctuated widely under the impact of wars and depressions. From the inflation level of 205 cents a clean pound for fine territory staple in March 1920, prices fell to a low point of 82 cents in the summer of 1921. In the years 1922-29 prices fluctuated between 168 and 84 cents a pound. They fell to 36 cents a pound in July 1932 at the low point of the depression. Following the depression, prices rose to a high of 114 cents early in 1937 and were 74 cents in August 1939 at the outbreak of the war in Europe. The import duty was 24 percent of the average Boston price of fine territory wools in 1923, 73 percent in 1932, 33 percent in 1937, and 41 percent in 1939.

#### *Pre-War Imports*

The burden of adjustment to fluctuations in both production and consumption fell on imports.

During the inter-war period, domestic production showed an upward trend with moderate fluctuations in output from year to year while consumption was affected by the level of industrial employment. Domestic per-capita consumption, however, for the 1935-39 period was about the same as in 1925-29. In 1932, the United States imported but 13.5 million pounds actual weight of apparel wool compared to 378 million in 1918, 172 million in 1925, and 150 million in 1937. A comparison of the more prosperous years in each of the decades of the inter-war period shows a decline in average United States imports from 128 million

pounds actual weight in 1925-29 to 86 million in 1935-39. United States imports constituted 9 percent of the apparel wool exported from the surplus-producing countries in the first period, and but 5 percent in the second.

UNITED STATES PRODUCTION, IMPORTS, AND CONSUMPTION  
(In million pounds)

	Production (shorn & pulled)	Imports (actual weight)	Mill Consumption (estimated shorn & pulled basis)
AVERAGE:			
1922-29-----	317	146	510
Import duty 31¢			
1930-39-----	427	65	512
Import duty 34¢			

Of the dutiable wools imported into the United States in the years 1937-39, 35 percent were Australian, 22 percent Argentine, 15 percent Uruguayan, 13 percent New Zealand, and 4 percent South African (Cape).

#### **Wartime Apparel-Wool Programs**

United States wartime mill consumption of apparel wool was almost double the pre-war rate, averaging more than 1 billion pounds grease basis for the years 1941-45. Domestic-wool production equalled approximately 43 percent of the requirements for the country's war economy.

During the period of rearmament and in the early war years, it was the policy of the United States to stockpile foreign wools and to encourage domestic-wool production through the payment of price premiums because of the possibility that trade with the exporting countries might be partially cut off.

#### *Stockpile Programs*

In 1940, the National Defense Advisory Commission recommended the establishment of an emergency stockpile of foreign wools in the United States to provide for essential requirements in the event imports were curtailed. At the request of the United States Government, the United Kingdom Government agreed in December 1940 to store

a reserve of 250 million pounds actual weight of Australian wools, which would be made available to domestic mills in an emergency.<sup>1</sup> The Ministry of Supply of the United Kingdom retained ownership of the stockpile. The Defense Supplies Corporation, as agent for the United States Government, was obligated to pay transportation and storage costs.

In 1942 pursuant to a directive of the Office of Production Management authorizing a stockpile of 1 billion pounds of apparel wool, the Defense Supplies Corporation purchased a total of 302.5 million pounds actual weight of Australian wools and 34.7 million pounds actual weight of Uruguayan wools.

In October 1941 the Defense Supplies Corporation also agreed to accept South African (Cape) wool for storage on a consignment basis with the understanding that it would be available for United States consumption in an emergency. This arrangement was terminated on June 30, 1942, at which time 122 million pounds of Cape wool was warehoused in the United States. In April 1942 the Defense Supplies Corporation agreed informally to accept whatever quantities of Australian, New Zealand, and Cape wools the British Ministry of Supply would ship to the United States for storage and transshipment to England. An agreement with the United Kingdom, signed on July 20, 1943, replacing existing storage agreements set the upper limit on quantity which the Defense Supplies Corporation would accept for storage at 900 million pounds actual weight and obligated the Ministry of Supply to keep a minimum of 400 million pounds in this stockpile. These stocks were to be available to both countries should they be required to meet "strategic needs". Shipments to the United States under this agreement were terminated in September 1943. Transportation and storage charges were to be shared equally by the Ministry of Supply and the Defense Supplies Corporation until one year following the end of hostilities. The agreement also provided that, upon the general suspension of all hostilities, the stockpile could not be disposed of in the United States without a further understanding between the Governments of the United States and United Kingdom having first been reached. The maximum quantity warehoused in the United States

under this stockpile program was 518 million pounds actual weight, the major portion of which had been reexported before the terminal date of the agreement.

In December 1943 the War Production Board approved the release of the stocks of foreign wool which had been purchased by the Defense Supplies Corporation, and they were subsequently liquidated through sales at public auction and to the United Nations Relief and Rehabilitation Administration.

Wool-purchase agreements between the United Kingdom and the Southern Hemisphere Dominions facilitated the making of arrangements for stockpiling in the United States. At the outbreak of war, the United Kingdom entered into agreements with the Australian and New Zealand Governments for the purchase of their exportable surpluses of wool during the war and one wool-year following the end of hostilities. An agreement on similar lines was entered into with the Government of the Union of South Africa late in 1940. The purpose of these United Kingdom-Dominion agreements was to insure supplies of wool needed for military and civilian uses at reasonable prices and to provide a stable market for Dominion wools.

#### *Price-Support Program*

When the United States rearmament program was inaugurated in 1940, the application of the Buy American Act of 1933<sup>2</sup> in the purchase of wool textiles for the armed forces caused the prices of domestic wools to rise above the prices of duty-paid foreign wools. Although an administrative order in November 1940 permitted the use of foreign wools in filling Government contracts, price premiums continued to be paid for the use of domestic wools in filling some Government contracts. There was an average spread of about 17 cents a clean pound between the prices of domestic and imported wools existing at the time the Office of Price Administration established ceiling prices on wools effective February 28, 1942.

With the decline in military requirements beginning in 1943 and a growing labor shortage in

<sup>1</sup> BULLETIN of Dec. 15, 1940, p. 554.

<sup>2</sup> 47 Stat. 1520.

the textile mills, the demand for domestic wools became uncertain. Mills preferred foreign wools not only because of their relatively lower price but also because less labor was required in their utilization because of superior preparation for market. In order to stabilize returns to domestic growers, the Commodity Credit Corporation, at the direction of the Secretary of Agriculture, announced a program to purchase the 1943 clip at ceiling prices. This purchase program was extended to each succeeding clip and is currently scheduled to continue in operation until April 15, 1947.

After a record output of 459 million pounds grease basis in 1942, United States wool production has fallen off each year and was about 358 million in 1946. The support price at which the Commodity Credit Corporation announced it would purchase the 1946 clip was 123 percent of parity (1909-14 base) on June 15, 1946. On the same date, the farm price for cotton was 112 percent of parity, for wheat 105 percent, for corn 118 percent, and for beef cattle (which compete with sheep for range and farm resources), 140 percent. The import duty of 34 cents was 33 percent of the average price received by growers for the 1945 clip, which was approximately 104 cents a clean pound. Prices to growers averaged about 19 cents a pound scoured basis above the duty-paid import price of foreign wool.<sup>1</sup> The *ad valorem* equivalent of the duties levied on wools finer than 44's actually imported in 1939 was 79 percent of their value and 65 percent in 1943.

#### *Production, Consumption, Imports*

United States dependence upon imported wool in the six years 1940-45 is reflected in the following table.

	Million pounds grease basis
Average 1940-45	
Production . . . . .	434
Consumption . . . . .	963
Imports for consumption . . . . .	574

During this period 804 million pounds were imported on Government account for stockpiling.

<sup>1</sup> Based on price at Boston market of domestic fine-combing territory wools, compared with Australian 64's-70's good top-making quality including import duty and reflecting adjustment for difference in preparation.

#### *Stocks Accumulation*

As mills turned to the production of civilian goods toward the end of the war, use of domestic wools dropped sharply and Commodity Credit Corporation stocks of domestic wools increased. On July 1, 1945 the Corporation held 327 million pounds grease basis and on July 1, 1946, 499 million pounds.

In November 1945 the Commodity Credit Corporation announced its intention to make domestic wools available to mills in competition with duty-paid foreign wools. This action was necessary in order to avoid continued accumulation of stocks, and, with a further reduction in selling price in February 1946, sales in the first half of 1946 for domestic fine-combing territory wools were made at about 19 cents a pound scoured basis below the purchase price.

World apparel-wool production exceeded consumption in the war years, and consequently on July 1, 1945 world carry-over stocks approximated 5 billion pounds, which was about three times the average carry-over stock in pre-war years. Of these accumulated stocks, the United Kingdom Ministry of Supply owned more than two thirds. Carry-over stocks held in the five Southern Hemisphere wool-exporting countries declined from an estimated 3 billion pounds grease basis on July 1, 1945 to 2,700 million pounds on July 1, 1946.

#### **Post-War Developments**

From the point of view of United States wool growers, the continuation of the wartime price-support program is considered unsatisfactory: first, because it is on a year-to-year basis with no legislative assurance that it will be continued through the reconversion period; and second, because its successful operation involves losses to the Commodity Credit Corporation and will therefore require annual appropriations.

It is ordinarily estimated that at least a decade may be required for the orderly liquidation of the surplus world stocks. Unless the wool-textile industry in the war-torn areas can be rehabilitated and world consumption of apparel wool can be maintained at a level above that of the pre-war years, the liquidation of surplus stocks will necessitate either an arbitrary curtailment of production or the sale of wools in the export markets be-

low the equilibrium price which would otherwise equate the world rate of production with the rate of consumption. Tariffs or other measures which increase the cost of wool textiles in the importing countries would operate to discourage consumption and enhance the vulnerability of wool in competition with the synthetic fibers.

Wool is experiencing increasing competition from the synthetic fibers. United States production of synthetic staple fiber increased from 30 million pounds in 1938 to approximately 168 million pounds in 1945. There is a duty of 25 percent *ad valorem* levied on imports of this fiber. While duty-paid imported fine wool of good top-making quality was available to domestic mills in 1945 at about 109 cents a clean pound, viscose rayon staple fiber was available at 25 cents a pound and acetate rayon staple fiber at 38 cents a pound. It is expected that nylon staple fiber, when it becomes commercially available, will also be found satisfactory for blending with wool as well as for substituting for wool in some uses.

#### *U.K.-Dominion Wool Disposals Limited*

Since the United Kingdom and the Southern Hemisphere Dominion Governments have primary responsibility for liquidating Empire surplus wool stocks, a conference of representatives of these governments at the official and expert levels was held in London in April-May 1945 to review the situation and make recommendations for joint action. The report and recommendations of this conference were accepted by the United Kingdom and three Dominion Governments in August 1945. The establishment of the joint organization under the name of *U.K.-Dominion Wool Disposals Limited*, as recommended by the conference, was announced in July 1946. Under this agreement, the stock of Dominion-grown wools owned by the United Kingdom Ministry of Supply is transferred to the joint ownership of the United Kingdom Government and the Dominion Government concerned. In September 1946 wool auctions were resumed at which current clips and wool from the jointly owned stock are offered. Wool from the current clips will be taken up by the joint organization if not sold at prices equivalent to the auction reserve prices which are to be fixed by the organization from time to time.

The directors of the U.K.-Dominion Wool Disposals Limited have announced that the organization will endeavor to maintain the current price level during the forthcoming season unless it becomes "necessary to meet a definite trend in demand which appears to be of lasting character". Relative prices of different types of wool may, however, be changed.

As long as the U.K.-Dominion Wool Disposals Limited continues in operation, the prices of foreign wools should be characterized by much greater stability than in the inter-war period, and this stability should be reflected in the prices of domestic wools in the Boston market.

Other apparel-wool producing and importing countries have a considerable stake in the stock-liquidation and pricing policies followed by the joint organization. This interest of other countries was recognized by the organization, which has issued the following statement with respect to procedure for establishing a consultative committee:

"The International Wool Textile Organisation will be invited to nominate representatives to form, with the addition of representatives from major consuming countries, a Committee to act in a consultative capacity to the Board of the Company from the point of view of wool consumers. Further, in order to facilitate and expand the consumption of wool the Joint Organisation will maintain close contact with the appropriate bodies interested in such matters as the rehabilitation of the wool textile industry in consuming countries."

#### *United States Senate Committee Hearings*

In order to provide the various groups interested in the domestic wool industry an opportunity to offer their views, hearings were held before the Senate Special Committee to Investigate the Production, Transportation and Marketing of Wool in November-December 1945.

Outstanding among the suggestions advanced during the hearings as features of a long-range domestic wool program were: (a) an increase in the present rate of duty in sufficient amount to offset the difference in the cost of producing foreign and domestic wool; (b) the establishment of quotas on the importation of foreign wool limiting

the amount that could be imported in any one year to the amount by which annual consumption exceeds annual production; (c) the purchase of all wool, both foreign and domestic, by a Government agency which would sell at a price equivalent to the average cost of procurement; and (d) the maintenance of prices of domestic wools at present ceiling levels or cost of production plus a reasonable profit by the sale of domestic wools by the Commodity Credit Corporation in line with the price of duty-paid foreign wool at all times, the Commodity Credit Corporation being reimbursed with funds procured from duties collected on foreign wools imported.

The program, (c) above, advanced by Dean J. A. Hill of the University of Wyoming received wide-spread support including that of wool-growers associations, the American Farm Bureau Federation, and the Livestock Marketing Association. Under this plan, the Secretary of Agriculture would be authorized and directed to support, through purchase operations, a price for domestically produced wool not less than the higher of (a) comparable prices as of January 15, 1946, or (b) current comparable price. The Secretary of Agriculture would also acquire by importation or from foreign-held stocks in the United States amounts of foreign wool which when added to the available domestically produced wool would be necessary to meet the requirements of manufacturers, processors, and other consumers of raw wool in the United States, and sell both domestic and foreign wool at a price per pound equal to the average cost incurred in the acquisition.

In his testimony before the Senate Committee, William L. Clayton, then Assistant Secretary of State, indicated that either an increase in the import duty on apparel wool or the imposition of quota restrictions on imports would be contrary to the spirit of American economic foreign policy, which is directed toward the reduction of world trade barriers and the opening up of channels of international commerce. Mr. Clayton expressed doubt that the American people would favor resort to state trading such as was involved in the Hill Plan, except in time of war. For these reasons he favored measures which would enable domestic

wool to compete with foreign wool in the domestic market at the duty-paid import price.

#### *Proposed United States Program*

In a letter to President Truman in January 1946, Senator Joseph C. O'Mahoney,<sup>1</sup> chairman of the Special Committee to Investigate the Production, Transportation and Marketing of Wool, urged cooperation with the Committee to frame a long-term government policy on domestic wool. He stated (a) that the Commodity Credit Corporation was purchasing the domestic clip at ceiling prices established in 1942 only on a year-to-year basis and without any assurance to the growers that the program would be continued during the reconversion period; (b) foreign wool supplies and prices would, during the period of liquidation of surplus foreign wool stocks, be controlled by a joint organization established by the United Kingdom Government and the Governments of Australia, New Zealand, and South Africa; and (c) under these circumstances the domestic wool-growing industry was declining. He expressed the belief that, unless the Government of the United States adopted a constructive long-term policy, the very existence of the wool-growing industry of this country would be threatened. President Truman requested the Office of War Mobilization and Reconversion to review the wool situation with other interested departments and agencies and to propose a wool program that was mutually satisfactory. Such a program was prepared and was transmitted by President Truman to Senator O'Mahoney in March 1946 as representing the considered views of the Administration on the best methods of solving a serious problem.

The President's program suggested that Congress enact wool legislation which would provide that: (1) the parity price of wool be revised or established at a so-called "comparable level," since 1909-14 was an unfavorable period for wool prices, partially because of the elimination of import duties on wool in 1913; (2) the Commodity Credit Corporation support incomes to wool producers through purchases, loans, or payments within the same percentage range of the revised parity prices as it was directed to support prices to producers of basic agricultural commodities, at

<sup>1</sup> BULLETIN of Mar. 24, 1946, p. 491.

not less than 50 nor more than 75 percent of the revised parity; (3) the Commodity Credit Corporation be authorized to continue to sell wool at prices competitive with duty-paid imported foreign wool; and (4) funds from the gross receipts from duties collected under the customs laws be appropriated and made available to the Commodity Credit Corporation to offset the losses incurred by the Corporation under purchase or loan operations, or the amount of payments made to wool producers in lieu of such purchase or loan operation.

The proposed program submitted by the President also recognized the importance to United States wool growers of collaboration with other wool-growing and wool-consuming countries in order to coordinate world wool-marketing and price policies. With respect to the world wool problem, the President's communication to Senator O'Mahoney contained the following paragraph:

"In addition to such legislative program, it

would seem desirable to have the executive agencies undertake the development of an international wool agreement in collaboration with the various interested foreign governments to provide for coordinated action and more unified supervision of world wool marketing and price policies from the standpoints of producers, consumers, and international trade. I am asking the executive agencies to determine the willingness of foreign governments to participate in such undertaking. In the meantime, it is hoped that consultations can be held with foreign wool agencies which will provide for a mutual understanding of objectives and activities in selling policies."

The Seventy-ninth Congress failed to enact a wool bill before adjournment. However, a bill, S-2033, embodying the essential features of the program recommended was reported favorably by the Senate Committee on Agriculture and Forestry. It is expected that an effort will be made to enact legislation embodying long-term wool policy before the expiration of the purchase program on March 31, 1947.

## **Conversations on Wool Problems**

At the invitation of His Majesty's Government in the United Kingdom, conversations concerning prospective wool problems will be held in London, November 11-16, between major wool-producing and wool-consuming countries. The purpose of the meeting is the exchange of information and views by the various governments.

During the war a large surplus of wool equal to about three times the normal carry-over accumulated in the British Dominions. In order to market these stocks the United Kingdom, Australia, New Zealand, and the Union of South Africa formed the British Wool Disposals Limited, a corporation jointly owned by the four Governments. The presence of so large a trading organization in the wool market is the source of some apprehension on the part of other wool-producing and wool-consuming countries.

In the United States the Commodity Credit Corporation holds large stocks of domestic wool. This fact, the world surplus, and other contributory factors have resulted in a decline in sheep numbers and wool production in this country.

Recognizing the possible harm which might result from unwise handling of these problems, the President proposed a comprehensive legislative program for the wool industry. In the meantime he asked the executive agencies to hold consultations with foreign wool agencies which would provide for mutual understanding of objectives and activities in selling policies. In accordance with these instructions the United States is cooperating in the wool talks.

Donald D. Kennedy, Chief of International Resources Division, heads the U.S. Delegation. Robert Schwenger, Preston Richards, and Floyd Davis of the Department of Agriculture; Clarence W. Nichols of the Department of State; and Paul Nyhus, Agricultural Attaché at the London Embassy, are the other members. The countries which have been invited to be represented at the conversations are: Argentina, Australia, Belgium, Canada, China, France, India, Italy, New Zealand, South Africa, Uruguay, United States, and U.S.S.R.; it is not known whether the last named will accept.

## PROBLEM OF THE TURKISH STRAITS: PRINCIPAL TREATIES AND CONVENTIONS (1774-1936)

*Edited, with an  
Introduction, by  
Harry N. Howard*

*This series of treaties and conventions is being presented for public use because of the current interest in the problem of the Turkish Straits. No pretense is made to completeness, since the publication is confined to the important treaties following the Treaty of Kuchuk-Kainardji (1774) when the Black Sea was first really opened to the passage of commercial vessels and the modern history of the problem may be said to have begun.*

The problem of the Turkish Straits, in one form or another, is one of the oldest, most continuous in history. It reaches from the period of the Trojan Wars, in the twelfth century B. C., through the days of ancient Greece and Rome and the period of the Byzantine Empire to today's latest newspaper stories.

The modern history of the problem of the Straits may be said to have begun with the Treaty of Kuchuk-Kainardji between Russia and the Ottoman Empire, July 10, 1774, according to which Russian commercial vessels received the right to pass through the Straits to and from the Black Sea—a right granted in the ensuing years to the commercial vessels of other nations as well.

Aside from the Treaty of Kuchuk-Kainardji the well-known Treaty of Unkiar Eskelessi, July 8, 1833, between Russia and the Sublime Porte is included. This, likewise, is true of the great

<sup>1</sup>For an article by Harry N. Howard analyzing this convention, see BULLETIN of Sept. 8, 1946, p. 435.

international conventions of 1840, 1841, 1856, and 1878, which firmly established the interests of the various European powers in the Straits, defined the international character of the Straits, and laid down the basic principles governing the passage of both commercial and war vessels through the Straits. In principle, according to the nineteenth century conventions of the Straits, those strategic waters were to be open, in peace, to the commerce of all nations and closed, according to "the ancient rule of the Sultan's Empire," to ships of war.

The great conventions governing the Straits in the twentieth century are those of Lausanne (July 24, 1923) and Montreux (July 20, 1936), since the Convention of Sèvres (August 10, 1920) did not enter into effect. The Convention of Lausanne lasted from 1923 until November 9, 1936, when the Montreux Convention entered into force. Under the Montreux Convention,<sup>1</sup> the International Commission of the Straits, established at Lausanne, was abolished, the "principle of freedom of transit and navigation by sea" without limit of time was

recognized and affirmed, and the passage of war-ships, with notable exceptions in favor of the Black Sea powers, was subject to important limitations. Articles 19 and 25 attempted to fit the Montreux Convention within the framework of the League of Nations.

American readers will, no doubt, be somewhat interested in those treaties and agreements which have been entered into by the United States and which have a bearing on the problem. The first of these is the American-Turkish treaty of May 7, 1830, which provided for most-favored-nation treatment of American commercial vessels passing through the Straits. These rights were confirmed in a new American-Turkish treaty in 1862.

Likewise, the American-Turkish treaty of October 1, 1929 provided for most-favored-nation treatment, on a reciprocal basis, of American merchant ships in Turkish waters, a principle which was also involved in the reciprocal trade agreement of April 1, 1939.

Altogether, selections from about twenty of the principal treaties and conventions are here made conveniently available to readers of the DEPARTMENT OF STATE BULLETIN in view of the current interest in the problem of the Turkish Straits. It is hoped that, by providing an appropriate historical and, especially, treaty background, the problem of the Straits today may be placed in clearer perspective.

## PRINCIPAL TREATIES AND CONVENTIONS WITH RESPECT TO THE PROBLEM OF THE TURKISH STRAITS (1774-1936)

### I. Treaty of Kuchuk-Kainardji Between Russia and the Ottoman Empire, July 10, 1774

[From Turkey No. 16 (1878). *Treaties and Other Documents Relating to the Black Sea, the Dardanelles, and the Bosphorus*: 1535-1877. (Translations, Cmd. 1953, No. 18. See also F. de Martens, *Recueil des traités*, 1st ed., I, 507, IV, 606, and 2d ed., II, 286; Gabriel Noradounghian (2 vols., Paris, 1900), *Recueil d'aetes internationaux de l'Empire Ottoman*, I, 324.]

*Article XI.* For the convenience and advantage of the two Empires, there shall be a free and unimpeded navigation for the merchant-ships belonging to the two Contracting Powers, in all the seas which wash their shores; the Sublime Porte grants to Russian merchant-vessels, namely, such as are universally employed by the other Powers for commerce and in the ports, a free passage from the Black Sea into the White Sea, and reciprocally from the White Sea into the Black Sea, as also the power of entering all the ports and harbors situated either on the seacoasts, or in the passages and channels which join those seas. In like manner, the Sublime Porte allows Russian subjects to trade in its States by land as well as by water, and upon the Danube in their ships, in conformity with what has been specified above in this Article, with all the same privileges and advantages as are enjoyed in its States by the most friendly nations, whom the Sublime Porte favors most in trade, such as

the French and the English; and the Capitulations of those two nations and others shall, just as if they were here inserted word for word, serve as a rule, under all circumstances and in every place, for whatever concerns commerce as well as Russian merchants, who upon paying the same duties may import and export all kinds of goods, and disembark their merchandise at every port and harbor as well upon the Black as upon the other seas, Constantinople being expressly included in the number.

While granting in the above manner to the respective subjects the freedom of commerce and navigation upon all waters without exception, the two Empires, at the same time, allow merchants to stop within their territories for as long a time as their affairs require, and promise them the same security and liberty as are enjoyed by the subjects of other friendly Courts. And in order to be consistent throughout, the Sublime Porte also allows the residence of Consuls and Vice-Consuls in every place where the Court of Russia may consider it expedient to establish them, and they shall be treated upon a perfect footing of equality with the Consuls of the other friendly Powers. It permits them to have interpreters called *Baratli*, that is, those who have patents, providing them with Imperial patents, and causing them to enjoy the same prerogatives as those in the service of the said French, English, and other nations.

Similarly, Russia permits the subjects of the Sublime Porte to trade in its dominions, by sea and by land, with the same prerogatives and advantages as are enjoyed by the most friendly nations, and upon paying the accustomed duties. In case of accident happening to the ves-

sels, the two Empires are bound respectively to render them the same assistance as is given in similar cases to other friendly nations; and all necessary things shall be furnished to them at the ordinary prices.

## **II. The Treaty of Defensive Alliance Between Russia and the Ottoman Empire, December 23, 1798**

[Unofficial translation; Noradounghian, II, 24-27; Martens, 2d ed., VI, 532-36.]

*Article X.*—On request of one of the two Powers to the other for naval assistance, the requesting party will supply the ships with food and provisions, according to agreement, as long as they [the two Powers] are acting against the common enemy, beginning with the day [the ships] enter the canal [the Straits.] The requesting party will furnish from its Admiralty and its stores, without the least difficulty, and at current prices, everything necessary for repairs. The warships and supply ships of the two contracting Powers, during the common war, will be received, without difficulty, in each other's ports, either to pass the winter or for repairs.

## **III. Treaty of Defensive Alliance Between Russia and the Ottoman Empire, September 23, 1805**

[Serge Goriaïnov, *Le Bosphore et les Dardanelles. Étude historique sur la question des Étroits. D'après la correspondance diplomatique déposée aux Archives centrales de Saint-Petersbourg* (Paris, 1910), p. 6.]

*Article VII.*—The two high contracting parties agree to consider the Black Sea as closed and not to permit therein the appearance of the flag of war or armed ship of any power whatsoever, and, in case any should attempt to enter therein, the two high contracting parties engage to regard such an attempt as a *casus foederis* and to oppose it with all their naval forces, as the sole means of assuring their mutual tranquillity. It is understood that the free passage through the canal of Constantinople will continue to be effective for warships and military transports of His Imperial Majesty of all the Russias, to which on each occasion the Sublime Porte will offer every assistance and accord every facility as may be required.

[Noradounghian, II, 70-74.]

*Article VII.*—The two contracting parties, having agreed as to the closure of the Black Sea, declare that any attempt of any power whatsoever to violate it will be considered as an act of hostility against them. Consequently, they engage to oppose with all their naval forces the entry into this sea of any foreign warship and of any ship loaded with munitions of war.

## **IV. Treaty Between Great Britain and the Ottoman Empire, Concluded at the Dardanelles, January 5, 1809**

[From Cmd. 1953 (1878), No. 27. French text in Noradounghian, II, 81.]

*Article V.*—In return for the indulgence and good treatment afforded by the Sublime Porte to English merchants, with respect to their goods and property, as well as in all matters tending to facilitate their commerce, England shall reciprocally extend every indulgence and friendly treatment to the flag, subjects, and merchants of the Sublime Porte, which may hereafter frequent the dominions of His Britannic Majesty for the purpose of commerce.

*Article XI.*—As ships of war have at all times been prohibited from entering the Canal of Constantinople, viz, in the Straits of the Dardanelles and of the Black Sea, and as this ancient regulation of the Ottoman Empire is in future to be observed by every Power in time of peace, the Court of Great Britain promises on its part to conform to this principle.

## **V. Treaty of Peace Between Russia and the Ottoman Empire, Signed at Adrianople, September 14, 1829**

[Cmd. 1953 (1878), No. 35. Text also in Hertslet, *Map of Europe by Treaty*, II, 813-831; Noradounghian, II, 166; Martens, *Nouveau recueil*, VII, 143.]

*Article VII.*—Russian subjects shall enjoy, throughout the whole extent of the Ottoman Empire, as well by land as by sea, the full and entire freedom of trade secured to them by the Treaties concluded heretofore between the two High Contracting Parties. This freedom of trade shall not be molested in any way, nor shall it be fettered in any case, or under any pretext, by any prohibition or restriction whatsoever, nor in consequence of any regulation or measure, whether of public government or internal legislation. Russian subjects, ships, and merchandise, shall be protected from all violence and imposition. The first shall remain under the exclusive jurisdiction and control of the Russian Minister

and Consuls; Russian ships shall never be subjected to any search on the part of the Ottoman authorities, neither out at sea nor in any of the ports or roadsteads under the dominion of the Sublime Porte; and all merchandise or goods belonging to a Russian subject may, after payment of the Custom-house dues imposed by the Tariffs, be freely sold, deposited on land in the warehouses of the owner or consignee, or transhipped on board another vessel of any nation whatsoever, without the Russian subject being required, in this case, to give notice of the same to any of the local authorities, and much less to ask their permission so to do. It is expressly agreed that the different kinds of wheat coming from Russia shall partake of the same privileges, and that their free transit shall never, under any pretext, suffer the least difficulty or hindrance.

The Sublime Porte engages, moreover, to take especial care that the trade and navigation of the Black Sea particularly, shall be impeded in no manner whatsoever. For this purpose it admits and declares the passage of the Strait of Constantinople and that of the Dardanelles to be entirely free and open to Russian vessels under the merchant flag laden or in ballast, whether they come from the Black Sea for the purpose of entering the Mediterranean, or whether, coming from the Mediterranean, they wish to enter the Black Sea; such vessels, provided they be merchant-ships, whatever their size and tonnage, shall be exposed to no hindrance or annoyance of any kind, as above provided. The two Courts shall agree upon the most fitting means for preventing all delay in issuing the necessary instructions. In virtue of the same principle, the passage of the Strait of Constantinople and of that of the Dardanelles is declared free and open to all the merchant-ships of Powers who are at peace with the Sublime Porte, whether going into the Russian ports of the Black Sea, or coming from them, laden or in ballast, upon the same conditions which are stipulated for vessels under the Russian flag.

Lastly, the Sublime Porte, recognizing in the Imperial Court of Russia the right of securing the necessary guarantees for this full freedom of trade and navigation in the Black Sea, declares solemnly, that on its part not the least obstacle shall ever, under any pretext whatsoever, be opposed to it. Above all it promises never to allow itself henceforth to stop or detain vessels laden or in ballast, whether Russian or belonging to nations with whom the Ottoman Porte should not be in a state of declared war, which vessels shall be passing through the Strait of Constantinople and that of the Dardanelles, on their way from the Black Sea into the Mediterranean, or from the Mediterranean into the Russian Ports of the Black Sea. And if, which God forbid, any one of the stipulations contained in the present Article should be infringed, and the remonstrances of the Russian Minister thereupon should fail in obtaining a full and prompt redress, the Sublime Porte recognizes beforehand in the Imperial Court of Russia

the right of considering such an infraction as an act of hostility, and of immediately having recourse to reprisals against the Ottoman Empire.

## **VI. Treaty of Commerce and Navigation Between the United States and the Ottoman Empire, Signed at Constantinople, May 7, 1830**

[D. H. Miller, *Treaties and Other International Acts of the United States of America*, III (No. 69), p. 549.]

*Article VII.*—The merchant vessels of the United States, either in ballast or laden with the productions of their countries or with productions and merchandise not prohibited of the countries of the Ottoman Empire, may pass from the waters of the Imperial Residence and go and come in the Black Sea like the aforesaid nations [most-favored nations].

## **VII. The Treaty of Unkiar Eskelessi [Hünkâr Iskelesi] Between Russia and the Ottoman Empire, July 8, 1833**

[Cmd. 1953 (1878), No. 39. Text also in Hertslet, II (No. 168), 925-928; Noradounghian, II, 230.]

*Article I.*—There shall be forever Peace, Amity, and Alliance between His Majesty the Emperor of all the Russias and His Majesty the Emperor of the Ottomans, their Empires and their Subjects, as well by land as by sea. This Alliance having solely for its object the common defence of their dominions against all attack, their Majesties engage to come to an unreserved understanding with each other upon all the matters which concern their respective tranquility and safety, and to afford to each other mutually for this purpose substantial aid, and the most efficacious assistance.

*Article II.*—The Treaty of Peace concluded at Adrianople on the 2nd September, 1829, as well as all the other Treaties comprised therein, as also the Convention signed at St. Petersburg on the 9th/21st July, 1832, are fully confirmed by the present Treaty of Defensive Alliance, in the same manner as if the said transactions had been inserted in it word for word.

*Article III.*—In consequence of the principle of conservation and mutual defence, which is the basis of the present Treaty of Alliance, and by reason of a most sincere desire of securing the permanence, maintenance, and entire independence of the Sublime Porte, His Majesty the Emperor of all the Russias, in the event of circumstances occurring which should again determine the Sublime Porte to call for the naval and military assistance of Russia, although, if it please God, that case is by no means

likely to happen, engages to furnish, by land and by sea, as many troops and forces as the Two High Contracting Parties may deem necessary: It is accordingly agreed, that in this case the land and sea forces, whose aid the Sublime Porte may call for, shall be held at its disposal.

*Article IV.*—In conformity with what is above stated, in the event of one of the two Powers requesting the assistance of the other, the expense only of provisioning the land and the sea forces which may be furnished, shall fall to the charge of the Power who shall have applied for the aid.

*Article V.*—Although the two High Contracting Parties sincerely intend to maintain this engagement to the most distant period of time, yet, as it is possible that in process of time circumstances may require that some changes should be made in this Treaty it has been agreed to fix its duration at eight years from the day of the exchange of the Imperial ratifications. The two parties, previously to the expiration of that term, will concert together, according to the state of affairs at that time, as to the renewal of the said Treaty.

#### SEPARATE AND SECRET ARTICLE

In virtue of one of the clauses of the 1st Article of the Patent Treaty of Defensive Alliance concluded between the Imperial Court of Russia and the Sublime Porte, the two High Contracting Parties are bound to afford each other mutually substantial aid, and the most efficacious assistance for the safety of their respective dominions. Nevertheless, as His Majesty the Emperor of all the Russias, wishing to spare the Sublime Ottoman Porte the expense and inconvenience which might be occasioned to it by affording substantial aid, will not ask for that aid if circumstances should place the Sublime Porte under the obligation of furnishing it, the Sublime Ottoman Porte, in place of the aid which it is bound to furnish in case of need, according to the principle of reciprocity of the Patent Treaty, shall confine its action in favour of the Imperial Court of Russia to closing the Strait of the Dardanelles, that is to say, to not allowing any foreign vessel of war to enter therein under any pretext whatsoever.

The present Separate and Secret Article shall have the same force and value as if it was inserted word for word in the Treaty of Alliance of this day.

#### **VIII. Convention Between Great Britain, Austria, Prussia, Russia, and Turkey, for the Pacification of the Levant, Signed at London, July 15, 1840**

[Cmd. 1953 (1878) No. 43. Text also in Hertslet, II, 1008-1012; Noradounghian, II, 303 ff.]

*Article III.* If Mehemet Ali, after having refused to submit to the conditions of the arrangement abovementioned [specified in a separate Act], should direct his land

or sea forces against Constantinople, the High Contracting Parties, upon the express demand of the Sultan, addressed to their Representatives at Constantinople, agree, in such case, to comply with the request of that Sovereign, and to provide for the defense of his throne by means of a cooperation agreed upon by mutual consent, for the purpose of placing the two Straits of the Bosphorus and Dardanelles, as well as the capital of the Ottoman Empire, in security against all aggression.

It is further agreed that the forces which, in virtue of such concert, may be sent as aforesaid, shall there remain so employed as long as their presence shall be required by the Sultan; and when His Highness shall deem their presence no longer necessary, the said forces shall simultaneously withdraw, and shall return to the Black Sea and to the Mediterranean respectively.

*Article IV.* It is, however, expressly understood, that the cooperation mentioned in the preceding Article, and destined to place the Straits of the Dardanelles and of the Bosphorus, and the Ottoman capital, under the temporary safeguard of the High Contracting Parties against all aggression of Mehemet Ali, shall be considered only as a measure of exception adopted at the express demand of the Sultan, and solely for his defense in the single case above-mentioned; but it is agreed that such measure shall not derogate in any degree from the ancient rule of the Ottoman Empire, in virtue of which it has at all times been prohibited for ships of war of foreign Powers to enter the Straits of the Dardanelles and of the Bosphorus. And the Sultan, on the one hand, hereby declares that, excepting the contingency above-mentioned, it is his firm resolution to maintain in future this principle invariably established as the ancient rule of his Empire; and as long as the Porte is at peace, to admit no foreign ship of war into the Straits of the Bosphorus and of the Dardanelles; on the other hand, their Majesties the Queen of the United Kingdom of Great Britain and Ireland, the Emperor of Austria, King of Hungary and Bohemia, the King of Prussia, and the Emperor of all the Russias, engage to respect this determination of the Sultan, and to conform to the above-mentioned principle.

#### **IX. Convention Between Great Britain, Austria, France, Prussia, Russia, and Turkey, Signed at London, July 13, 1841**

[Cmd. 1953 (1878), No. 46. Text also in Hertslet, II, 1024-1026.]

*Article I.* His Highness the Sultan, on the one part, declares that he is firmly resolved to maintain for the future the principle invariably established as the ancient rule of his Empire, and in virtue of which it has at all times been prohibited for the ships of war of foreign Powers to enter the Straits of the Dardanelles and of the

Bosphorus; and that so long as the Porte is at peace, His Highness will admit no foreign ship of war into the said Straits.

And their Majesties the Queen of the United Kingdom of Great Britain and Ireland, the Emperor of Austria, the King of Hungary and Bohemia, the King of the French, the King of Prussia, and the Emperor of all the Russias, on the other part, engage to respect this determination of the Sultan, and to conform themselves to the principle above declared.

*Article II.* It is understood that in recording the inviolability of the ancient rule of the Ottoman Empire mentioned in the preceding Article, the Sultan reserves to himself, as in past times, to deliver Firmans of Passages for light vessels under flag of war, which shall be employed as is usual in the service of the Missions of foreign Powers.

#### **X. General Treaty Between Great Britain, Austria, France, Prussia, Russia, Sardinia, and the Ottoman Empire, Signed at Paris, March 30, 1856**

[Cmd. 1953 (1878), No. 54. Text also in Hertslet, II, 1250-1265.]

*Article X.* The Convention of 13th July, 1841, which maintains the ancient rule of the Ottoman Empire relative to the closing of the Straits of the Bosphorus and of the Dardanelles, has been revised by common consent.

The Act concluded for that purpose, and in conformity with that principle, between the High Contracting Parties is and remains annexed to the present Treaty, and shall have the same force and validity as if it formed an integral part thereof.

*Article XI.<sup>1</sup>* The Black Sea is neutralized: its waters and its ports, thrown open to the mercantile marine of every nation, are formally and in perpetuity interdicted to the flag of war, either of the Powers possessing its coasts, or of any other Power, with the exceptions mentioned in Articles XIV and XIX of the present treaty.

*Article XII.* Free from any impediment, the commerce in the ports and waters of the Black Sea shall be subject only to regulations of health, customs, and police, framed in a spirit favorable to the development of commercial transactions.

In order to afford to the commercial and maritime interests of every nation the security which is desired, Russia and the Sublime Porte will admit Consuls in to their ports situated upon the coast of the Black Sea, in conformity with the principles of international law.

*Article XIII.<sup>1</sup>* The Black Sea being neutralized according to the terms of Article XI, the maintenance or establishment upon its coast of military-maritime arsenals becomes alike unnecessary and purposeless; in consequence, His Majesty the Emperor of all the Russias and His Imperial Majesty the Sultan engage not to establish or to maintain upon that coast any military-maritime arsenal.

*Article XIV.<sup>1</sup>* Their Majesties the Emperor of all the Russias and the Sultan having concluded a Convention for the purpose of settling the force and the number of light vessels necessary for the service of their coasts, which they reserve to themselves to maintain in the Black Sea, that Convention is annexed to the present Treaty, and shall have the same force and validity as if it formed an integral part thereof. It cannot be either annulled or modified without the assent of the Powers signing the present Treaty.

*Article XIX.* In order to insure the execution of the regulations which shall have been established by common agreement, in conformity with the principles above declared, each of the Contracting Powers shall have the right to station, at all times, two light vessels at the mouths of the Danube.

*Additional and Transitory Article.*—The stipulations of the Convention respecting the Straits, signed this day, shall not be applicable to the vessels of war employed by the belligerent Powers for the evacuation, by sea, of the territories occupied by their armies; but the said stipulations shall resume their entire effect as soon as the evacuation shall be terminated.

#### **XI. Convention Between Russia and the Ottoman Empire Limiting Their Naval Force in the Black Sea, Signed at Paris, March 30, 1856**

[Cmd. 1953 (1878), No. 55. Text also in Hertslet, II, 1271.]

*Article I.* The High Contracting Parties mutually engage not to have in the Black Sea any other Vessels of war than those of which the number, the force, and the dimensions are hereinafter stipulated.

*Article II.* The High Contracting Parties reserve to themselves each to maintain in that sea six steam-vessels of fifty metres in length at the line of flotation, of a tonnage of eight hundred tons at the maximum, and four light steam or sailing-vessels of a tonnage which shall not exceed two hundred tons each.

#### **XII. Convention Between Great Britain, Austria, France, Prussia, Russia, Sardinia, and the Ottoman Empire Respecting the Straits of the Dardanelles and of the Bosphorus.—Signed at Paris, March 30, 1856**

[Cmd. 1953 (1878), No. 56. Text also in Hertslet, II, 1268.]

*Article I.* His Majesty the Sultan on the one part, declares that he is firmly resolved to maintain for the future the principle invariably established as the ancient rule

<sup>1</sup> Abrogated by treaty of Mar. 13, 1871.

of his Empire, and in virtue of which it has, at all times, been prohibited for the ships of war of foreign Powers to enter the Strait of the Dardanelles and of the Bosphorus; and that, so long as the Porte is at peace, His Majesty shall admit no foreign ship of war into the said Straits.

And their Majesties the Queen of the United Kingdom of Great Britain and Ireland, the Emperor of Austria, the Emperor of the French, the King of Prussia, the Emperor of all the Russias, and the King of Sardinia, on the other part, engage to respect this determination of the Sultan, and to conform themselves to the principle above declared.

*Article II.* The Sultan reserves to himself, as in past times, to deliver firmans of passage for light vessels under flag of war, which shall be employed, as is usual, in the service of the Missions of foreign Powers.

*Article III.* The same exception applies to the light vessels under flag of war which each of the Contracting Powers is authorized to station at the mouths of the Danube in order to secure the execution of the regulations relative to the liberty of that river, and the number of which is not to exceed two for each Power.

### **XIII. Treaty of Commerce and Navigation Between the United States and the Ottoman Empire, February 25, 1862. Proclaimed July 2, 1862**

[W. M. Malloy, *Treaties, Conventions, International Acts, Protocols and Agreements between the United States of America and Other Powers, 1776-1909* (Washington, 1910), II, 1321-28.]

*Article I.*—All rights, privileges, and immunities, which have been conferred on the citizens or vessels of the United States of America by the treaty already existing between the United States of America and the Ottoman Empire, are confirmed, now and forever, with the exception of those clauses of the said treaty which it is the object of the present treaty to modify; and it is moreover expressly stipulated that all rights, privileges, or immunities, which the Sublime Porte now grants, or may hereafter grant to, or suffer to be enjoyed by the subjects, ships, commerce, or navigation of any other foreign Power, shall be equally granted to and exercised and enjoyed by the citizens, vessels, commerce, and navigation of the United States of America.

### **XIV. Convention Between Great Britain, Austria, France, Germany (Prussia), Italy, Russia, and the Ottoman Empire, for the Revision of Certain Stipulations of the Treaty of March 30, 1856. Signed at London, March 13, 1871**

[Cmd. 1953 (1878), No. 62. Text also in Hertslet, III, 1920-1921.]

*Article I.* Articles XI, XIII, and XIV of the Treaty of Paris of March 30, 1856, as well as the special Convention concluded between Russia and the Sublime Porte, and annexed to the said Article XIV, are abrogated, and replaced by the following Article.

*Article II.* The principle of the closing of the Straits of the Dardanelles and the Bosphorus, such as it has been established by the separate Convention of March 30, 1856, is maintained, with power to His Imperial Majesty the Sultan to open the said Straits in time of peace to the vessels of war of friendly and allied Powers, in case the Sublime Porte should judge it necessary in order to secure the execution of the stipulations of the Treaty of Paris of March 30, 1856.

*Article III.* The Black Sea remains open, as heretofore, to the mercantile marine of all nations.

### **XV. The Treaty of San Stefano Between Russia and the Ottoman Empire, March 3, 1878. Preliminary Treaty**

[Hertslet, IV, 2674-2694.]

*Article XXIV.* The Bosphorus and the Dardanelles shall remain open in time of war, as in time of peace, to the merchant vessels of neutral States arriving from or bound to Russian ports. The Sublime Porte consequently engages never henceforth to establish at the ports of the Black Sea and the Sea of Azov a fictitious blockade at variance with the spirit of the Declaration signed at Paris, April 4/16, 1856.

### **XVI. Treaty Between Great Britain, Austria-Hungary, France, Germany, Italy, Russia, and the Ottoman Empire, for the Settlement of the Affairs of the East, Signed at Berlin, 13th July, 1878**

[Hertslet, IV (No. 530), 2759-2798.]

MAINTENANCE OF TREATIES OF MARCH 30, 1856 AND MARCH 13, 1871 (DARDANELLES AND BOSPHORUS, ETC.)

*Article LXIII.* The Treaty of Paris of March 30, 1856, as well as the Treaty of London of March 13, 1871, are maintained in all such of their provisions as are not abrogated or modified by the preceding stipulations.

**XVII. Declarations Made by the British and Russian Plenipotentiaries at the Congress of Berlin, Respecting the Straits of the Dardanelles and Bosphorus, 11th and 12th July, 1878**

[Hertslet, IV, 2727-2728.]

**(1) BRITISH DECLARATION. EXTRACT FROM PROTOCOL, 11TH JULY, 1878**

With regard to the paragraph relating to the Treaties of Paris and London, Lord Salisbury remarks that at first sight, at a preceding sitting, he had stated that he was not satisfied with the wording of this Article. These apprehensions are now partly set at rest by the explanations offered to the Congress: His Excellency confines himself today to asking that the following Declaration, which is binding only his Government, may be inserted in the Protocol:

"Considering that the Treaty of Berlin will modify an important part of the arrangements sanctioned by the Treaty of Paris of 1856, and that the interpretation of Article II of the Treaty of London which is dependent on the Treaty of Paris, may thus become a matter of dispute:

"I declare on behalf of England that the obligations of Her Britannic Majesty relating to the closing of the Straits do not go further than an engagement with the Sultan to respect in this matter His Majesty's independent determinations in conformity with the spirit of existing Treaties. . . ."

**(2) RUSSIAN DECLARATION. EXTRACT FROM PROTOCOL 12TH JULY, 1878**

Count Schouvaloff, referring to the declaration made in the preceding sitting by Lord Salisbury, on the subject of the Straits, demands the insertion in the Protocol of a Declaration on the same subject presented by the Plenipotentiaries of Russia:

"The Plenipotentiaries of Russia, without being able exactly to appreciate the meaning of the proposition of the second Plenipotentiary of Great Britain, respecting the closing of the Straits, restrict themselves to demanding, on their part, the insertion in the Protocol of the observation: that, in their opinion, the principle of the closing of the Straits is an European principle, and that the stipulations concluded in this respect in 1841, 1856, and 1871, confirmed at present by the Treaty of Berlin, are binding on the part of all the Powers, in accordance with the spirit and letter of the existing Treaties not only as regards the Sultan but also as regards all the Powers signatory to these transactions."

**XVIII. Treaty of Peace Between the Allied Powers and Turkey, Signed at Sèvres, August 10, 1920**

[Text from British Treaty Series (1920). Treaty of Peace with Turkey. Signed at Sèvres, August 10, 1920. Cmd. 964. This treaty did not enter into force.]

**SECTION II.—Straits**

*Article 37.*—The navigation of the Straits, including the Dardanelles, the Sea of Marmora and the Bosphorus, shall in future be open, both in peace and war, to every vessel of commerce or of war, and to military and commercial aircraft, without distinction of flag.

These waters shall not be subject to blockade, nor shall any belligerent right be exercised nor any act of hostility be committed within them, unless in pursuance of a decision of the Council of the League of Nations.

*Article 38.*—The Turkish Government recognizes that it is necessary to take further measures to ensure the freedom of navigation provided for in Article 37, and accordingly delegates, so far as it is concerned, to a Commission to be called the "Commission of the Straits", and hereinafter referred to as "the Commission", the control of the waters specified in Article 39.

The Greek Government, so far as it is concerned, delegates to the Commission the same powers and undertakes to give it in all respects the same facilities.

Such control shall be exercised in the name of the Turkish and Greek Governments respectively, and in the manner provided in this Section.

*Article 39.*—The authority of the Commission will extend to all the waters between the Mediterranean mouth of the Dardanelles and the Black Sea mouth of the Bosphorus, and to the waters within three miles of each of these mouths.

This authority may be exercised on shore to such extent as may be necessary for the execution of the provisions of this Section.

*Article 40.*—The Commission shall be composed of representatives appointed respectively by the United States of America (if and when that Government is willing to participate), the British Empire, France, Italy, Japan, Russia (if and when Russia becomes a member of the League of Nations), Greece, Roumania, and Bulgaria and Turkey (if and when the two latter states become members of the League of Nations). Each Power shall appoint one representative. The representatives of the United States of America, the British Empire, France, Italy, Japan and Russia shall each have two votes. The representatives of Greece, Roumania, and Bulgaria and Turkey shall each have one vote. Each Commissioner shall be removable only by the Government which appointed him.

*Article 41.*—The Commissioners shall enjoy, within the limits specified in Article 39, diplomatic privileges and immunities.

*Article 42.*—The Commission will exercise the powers

conferred on it by the present Treaty in complete independence of the local authority. It will have its own flag, its own budget and its separate organization.

*Article 43.*—Within the limits of its jurisdiction as laid down in Article 39 the Commission will be charged with the following duties: (a) the execution of any works considered necessary for the improvement of the channels or the approaches to harbours; (b) the lighting and buoying of the channels; (c) the control of pilotage and towage; (d) the control of anchorages; (e) the control necessary to assure the application in the ports of Constantinople and Haidar Pasha of the regime prescribed in Articles 335 to 344, Part XI (Ports, Waterways and Railways) of the present Treaty; (f) the control of all matters relating to wrecks and salvage; (g) the control of litterage.

*Article 44.*—In the event of the Commission finding that the liberty of passage is being interfered with, it will inform the representatives at Constantinople of the Allied Powers providing the occupying forces provided for in Article 178. These representatives will thereupon concert with the naval and military commanders of the said forces such measures as may be deemed necessary to preserve the freedom of the Straits. Similar action shall be taken by the said representatives in the event of any external action threatening the liberty of passage of the Straits.

*Article 45.*—For the purpose of the acquisition of any property or the execution of any permanent works which may be required, the Commission shall be entitled to raise such loans as it may consider necessary. These loans will be secured, so far as possible, on the dues to be levied on the shipping using the Straits, as provided in Article 53.

*Article 46.*—The functions previously exercised by the Constantinople Superior Council of Health and the Turkish Sanitary Administration which was directed by the said Council, and the functions exercised by the National Lifeboat Service of the Bosphorus, will within the limits specified in Article 39 be discharged under the control of the Commission and in such manner as it may direct.

The Commission will cooperate in the execution of any common policy adopted by the League of Nations for preventing and combating disease.

*Article 47.*—Subject to the general powers of control conferred upon the Commission, the rights of any persons or companies now holding concessions relating to light-houses, docks, quays or similar matters shall be maintained; but the Commission shall be entitled if it thinks it necessary in the general interest to buy out or modify such rights upon the conditions laid down in Article 311, Part IX (Economic Clauses) of the present Treaty, or itself to take up a new concession.

*Article 48.*—In order to facilitate the execution of the duties with which it is entrusted by this Section, the Commission shall have power to organize such a force of special police as may be necessary. This force shall be drawn so far as possible from the native population of

the zone of the Straits and islands referred to in Article 178, Part V (Military, Naval and Air Clauses), excluding the islands of Lemnos, Imbros, Samothrace, Tenedos and Mitylene. The said force shall be commanded by foreign police officers appointed by the Commission.

*Article 49.*—In the portion of the zone of the Straits, including the islands of the Sea of Marmora, which remains Turkish, and pending the coming into force of the reform of the Turkish judicial system provided for in Article 136, all infringements of the regulations and by-laws made by the Commission, committed by nationals of capitulatory Powers, shall be dealt with by the Consular Courts of the said Powers. The Allied Powers agree to make such infringements justifiable before their Consular Courts or authorities. Infringements committed by Turkish nationals or nationals of non-capitulatory Powers shall be dealt with by the competent Turkish judicial authorities.

In the portion of the said zone placed under Greek sovereignty such infringements will be dealt with by the competent Greek judicial authorities.

*Article 50.*—The officers or members of the crew of any merchant vessel within the limits of the jurisdiction of the Commission who may be arrested on shore for any offense committed either ashore or afloat within the limits of the said jurisdiction shall be brought before the competent judicial authority by the Commission's police. If the accused was arrested otherwise than by the Commission's police he shall immediately be handed over to them.

*Article 51.*—The Commission shall appoint such subordinate officers or officials as may be found indispensable to assist it in carrying out the duties with which it is charged.

*Article 52.*—In all matters relating to the navigation of the waters within the limits of the jurisdiction of the Commission all the ships referred to in Article 37 shall be treated upon a footing of absolute equality.

*Article 53.*—Subject to the provisions of Article 47 the existing rights under which dues and charges can be levied for various purposes, whether direct by the Turkish Government or by international bodies or private companies, on ships or cargoes within the limits of the jurisdiction of the Commission shall be transferred to the Commission. The Commission shall fix these dues and charges at such amounts only as may be reasonably necessary to cover the cost of the works executed and the services rendered to shipping, including the general costs and expenses of all the administration of the Commission, and the salaries and pay provided for in paragraph 3 of the Annex to this Section.

For these purposes only and with the prior consent of the Council of the League of Nations the Commission may also establish dues and charges other than those now existing and fix their amounts.

*Article 54.*—All dues and charges imposed by the Commission shall be levied without any discrimination and

on a footing of absolute equality between all vessels, whatever their port of origin, destination or departure, their flag or ownership, or the nationality or ownership of their cargoes.

This disposition does not affect the right of the Commission to fix in accordance with tonnage the dues provided for by this Section.

*Article 55.*—The Turkish and Greek Governments respectively undertake to facilitate the acquisition by the Commission of such land and buildings as the Commission shall consider it necessary to acquire in order to carry out effectively the duties with which it is entrusted.

*Article 56.*—Ships of war in transit through the waters specified in Article 39 shall conform in all respects to the regulations issued by the Commission for the observance of the ordinary rules of navigation and of sanitary requirements.

*Article 57.*—(1) Belligerent warships shall not revictual nor take in stores, except so far as may be strictly necessary to enable them to complete the passage of the Straits and to reach the nearest port where they can call, nor shall they replenish or increase their supplies of war material or their armament or complete their crews, within the waters under the control of the Commission. Only such repairs as are absolutely necessary to render them seaworthy shall be carried out, and they shall not add in any manner whatever to their fighting force. The Commission shall decide what repairs are necessary, and these must be carried out with the least possible delay.

(2) The passage of belligerent warships through the waters under the control of the Commission shall be effected with the least possible delay, and without any other interruption than that resulting from the necessities of the service.

(3) The stay of such warships at ports within the jurisdiction of the Commission shall not exceed twenty-four hours except in case of distress. In such case they shall be bound to leave as soon as possible. An interval of at least twenty-four hours shall always elapse between the sailing of a belligerent ship from the waters under the control of the Commission and the departure of a ship belonging to an opposing belligerent.

(4) Any further regulations affecting in time of war the waters under the control of the Commission, and relating in particular to the passage of war material and contraband destined for the enemies of Turkey, or revictualing, taking in stores or carrying out repairs in the said waters, will be laid down by the League of Nations.

*Article 58.*—Prizes shall in all respects be subjected to the same conditions as belligerent vessels of war.

*Article 59.*—No belligerent shall embark or disembark troops, munitions of war or warlike materials in the waters under the control of the Commission, except in cases of accidental hindrance of the passage, and in such cases the passage shall be resumed with all possible despatch.

*Article 60.*—Nothing in Articles 57, 58 or 59 shall be deemed to limit the powers of a belligerent or belligerents acting in pursuance of a decision by the Council of the League of Nations.

*Article 61.*—Any differences which may arise between the Powers as to the interpretation or execution of the provisions of this Section, and as regards Constantinople and Haïdar Pasha of the provisions of Articles 335 to 344, Part XI (Ports, Waterways, and Railways) shall be referred to the Commission. In the event of the decision of the Commission not being accepted by any Power, the question shall, on the demand of any Power concerned, be settled as provided by the League of Nations, pending whose decision the ruling of the Commission will be carried out.

#### **XIX. Treaty of Friendship Between Soviet Russia and Turkey, March 16, 1921**

[Great Britain, Foreign Office, *British and Foreign State Papers*, 1923, part II, vol. 118, pp. 990-96. Article V, cited below, is equivalent to article 9 of the Treaty of Kars, October 13, 1921, *ibid.*, 1924, vol. 120, pp. 906-13, and to article 9 of the Turco-Ukrainian treaty of January 2, 1922, *Current History* (No. 5, February 1923), vol. XVII, p. 770.]

*Article V.*—In order to assure the opening of the Straits to the commerce of all nations, the contracting parties agree to entrust the final elaboration of an international agreement concerning the Black Sea to a conference composed of delegates of the littoral States, on condition that the decisions of the above-mentioned conference shall not be of such a nature as to diminish the full sovereignty of Turkey or the security of Constantinople, her capital.

#### **XX. The Convention Relating to the Regime of the Straits, Signed at Lausanne, July 24, 1923**

[Treaty Series No. 16 (1923). *Treaty of Peace with Turkey, and Other Instruments Signed at Lausanne on July 24, 1923, together with Agreements between Greece and Turkey signed on January 30, 1923 and Subsidiary Documents forming part of the Turkish Peace Settlement.* (With Map.) Cmd. 1929, pp. 109-29; 23 League of Nations Treaty Series, 115 ff.]

Signatories: British Empire, France, Italy, Japan, Bulgaria, Greece, Rumania, Russia, Yugoslavia, and Turkey.

*Article 1.*—The High Contracting Parties agree to recognize and declare the principle of freedom of transit and

of navigation by sea and by air in the Strait of the Dardanelles, the Sea of Marmora and the Bosphorus, herein-after comprised under the general term of the "Straits".

*Article 2.*—The transit and navigation of commercial vessels and aircraft, and of war vessels and aircraft in the Straits in time of peace and in time of war shall henceforth be regulated by the provisions of the attached Annex.

ANNEX. RULES FOR THE PASSAGE OF COMMERCIAL VESSELS AND AIRCRAFT, AND OF WAR VESSELS AND AIRCRAFT THROUGH THE STRAITS

1. *Merchant Vessels, Including Hospital Ships, Yachts and Fishing Vessels and Non-Military Aircraft.*

(a) *In Time of Peace.*

Complete freedom of navigation and passage by day and by night under any flag and with any kind of cargo, without any formalities, or tax, or charge whatever (subject, however, to international sanitary provisions) unless for services directly rendered, such as pilotage, light, towage or other similar charges, and without prejudice to the rights exercised in this respect by the services and undertakings now operating under concessions granted by the Turkish Government.

To facilitate the collection of these dues, merchant vessels passing the Straits will communicate to stations appointed by the Turkish Government their name, nationality, tonnage and destination.

(b) *In Time of War, Turkey Being Neutral.*

Complete freedom of navigation and passage by day and by night under the same conditions as above. The duties and rights of Turkey as a neutral Power cannot authorise her to take any measures liable to interfere with navigation through the Straits, the waters of which, and the air above which, must remain entirely free in time of war, Turkey being neutral just as in time of peace.

Pilotage remains optional.

(c) *In Time of War, Turkey Being a Belligerent.*

Freedom of navigation for neutral vessels and neutral non-military aircraft, if the vessel or aircraft in question does not assist the enemy, particularly by carrying contraband, troops or enemy nationals. Turkey will have the right to visit and search such vessels and aircraft, and for this purpose aircraft are to alight on the ground or on the sea in such areas as are specified and prepared for this purpose by Turkey. The rights of Turkey to apply to enemy vessels the measures allowed by international law are not affected.

Turkey will have full power to take such measures as she may consider necessary to prevent enemy vessels from using the Straits. These measures, however, are not to be of such a nature as to prevent the free passage of neutral vessels, and Turkey agrees to provide such vessels with either the necessary instructions or pilots for the above purpose.

2. *Warships, Including Fleet Auxiliaries, Troopships, Aircraft Carriers and Military Aircraft.*

(a) *In Time of Peace.*

Complete freedom of passage by day and by night under any flag, without any formalities, or tax, or charge whatever, but subject to the following restrictions as to the total force:

The maximum force which any one Power may send through the Straits into the Black Sea is not to be greater than that of the most powerful fleet of the littoral Powers of the Black Sea existing in that sea at the time of passage; but with the proviso that the Powers reserve to themselves the right to send into the Black Sea at all times and under all circumstances, a force of not more than three ships, of which no individual ship shall exceed 10,000 tons.

Turkey has no responsibility in regard to the number of war vessels which pass through the Straits.

In order to enable the above rule to be observed the Straits Commission provided for in Article 10 will, on the 1st January and the 1st July of each year, enquire of each Black Sea littoral Power the number of each of the following classes of vessel which such Power possesses in the Black Sea: Battleships, battle-cruisers, aircraft-carriers, cruisers, destroyers, submarines, or other types of vessels as well as naval aircraft; distinguishing between the ships which are in active commission and the ships with reduced complements, the ships in reserve and the ships undergoing repairs or alterations.

The Straits Commission will then inform the Powers concerned that the strongest naval force in the Black Sea comprises: Battleships, battle-cruisers, aircraft-carriers, cruisers, destroyers, submarines, aircraft and units of other types which may exist. The Straits Commission will also immediately inform the Powers concerned when, owing to the passage into or out of the Black Sea of any ship of the strongest Black Sea force, any alteration in that force has taken place.

The naval force that may be sent through the Straits into the Black Sea will be calculated on the number and type of the ships of war in active commission only.

(b) *In Time of War, Turkey Being Neutral.*

Complete freedom of passage by day and by night under any flag, without any formalities, or tax, or charge whatever, under the same limitations as in paragraph 2 (a).

However, these limitations will not be applicable to any belligerent Power to the prejudice of its belligerent rights in the Black Sea.

The rights and duties of Turkey as a neutral Power cannot authorise her to take any measures liable to interfere with navigation through the Straits, the waters of which, and the air above which, must remain entirely free in time of war, Turkey being neutral, just as in time of peace.

Warships and military aircraft of belligerents will be forbidden to make any capture, to exercise the right of visit and search, or to carry out any other hostile act in the Straits.

As regards revictualling and carrying out repairs, war vessels will be subject to the terms of the Thirteenth Hague Convention of 1907, dealing with maritime neutrality.

Military aircraft will receive in the Straits similar treatment to that accorded under the Thirteenth Hague Convention of 1907 to warships, pending the conclusion of an international Convention establishing the rules of neutrality for aircraft.

*(e) In Time of War, Turkey Being Belligerent.*

Complete freedom of passage for neutral warships, without any formalities, or tax, or charge whatever, but under the same limitations as in paragraph 2(a).

The measures taken by Turkey to prevent enemy ships and aircraft from using the Straits are not to be of such a nature as to prevent the free passage of neutral ships and aircraft, and Turkey agrees to provide the said ships and aircraft with either the necessary instructions or pilots for the above purpose.

Neutral military aircraft will make the passage of the Straits at their own risk and peril, and will submit to investigation as to their character. For this purpose aircraft are to alight on the ground or on the sea in such areas as are specified and prepared for this purpose by Turkey.

3. (a) The passage of the Straits by submarines of Powers at peace with Turkey must be made on the surface.

(b) The officer in command of a foreign naval force, whether coming from the Mediterranean or the Black Sea, will communicate, without being compelled to stop, to a signal station at the entrance to the Dardanelles or the Bosphorus, the number and the names of vessels under his orders which are entering the Straits.

These signal stations shall be notified from time to time by Turkey; until such signal stations are notified, the freedom of passage for foreign war vessels in the Straits shall not thereby be prejudiced, nor shall their entry into the Straits be for this reason delayed.

(c) The right of military and non-military aircraft to fly over the Straits, under the conditions laid down in the present rules, necessitates for aircraft—

(i) Freedom to fly over a strip of territory of five kilometres wide on each side of the narrow parts of the Straits;

(ii) Liberty, in the event of a forced landing, to alight on the coast or on the sea in the territorial waters of Turkey.

4. *Limitation of Time of Transit for Warships.*

In no event shall warships in transit through the Straits, except in the event of damage or peril of the sea, remain

therein beyond the time which is necessary for them to effect their passage, including the time of anchorage during the night if necessary for safety of navigation.

5. *Stay in the Ports of the Straits and of the Black Sea.*

(a) Paragraphs 1, 2 and 3 of this Annex apply to the passage of vessels, warships and aircraft through and over the Straits and do not affect the right of Turkey to make such regulations as she may consider necessary regarding the number of men-of-war and military aircraft of any one Power which may visit Turkish ports or aerodromes at one time, and the duration of their stay.

(b) Littoral Powers of the Black Sea will also have a similar right as regards their ports and aerodromes.

(c) The light-vessels which the Powers at present represented on the European Commission of the Danube maintain as *stationnaires* at the mouths of that river as far up as Galatz will be regarded as additional to the men-of-war referred to in paragraph 2, and may be replaced in case of need.

6. *Special Provisions Relating to Sanitary Protection.*

Warships which have on board cases of plague, cholera or typhus, or which have had such cases on board during the last seven days, and warships which have left an infected port within less than five times 24 hours must pass through the Straits in quarantine and apply by the means on board such prophylactic measures as are necessary to prevent any possibility of the Straits being infected.

The same rule shall apply to merchant ships having a doctor on board and passing straight through the Straits without calling at a port or breaking bulk.

Merchant ships not having a doctor on board shall be obliged to comply with the international sanitary regulations before entering the Straits, even if they are not to call at a port therein.

Warships and merchant vessels calling at one of the ports in the Straits shall be subject in that port to the international sanitary regulations applicable in the port in question.

*Article 3.*—With a view to maintaining the Straits free from any obstacle to free passage and navigation, the provisions contained in Articles 4 to 9 will be applied to the waters and shores thereof as well as to the islands situated therein, or in the vicinity.

*Article 4.*—The zones and islands indicated below shall be demilitarised:

1. Both shores of the Straits of the Dardanelles and the Bosphorus over the extent of the zones delimited below . . . :

*Dardanelles:*

On the *north-west*, the Gallipoli Peninsula and the area southeast of a line traced from a point on the Gulf of Xeros 4 kilometres northeast of Bakla-Burnu, reaching the Sea of Marmora at Kunbaghi and passing south of Kavak (this village excluded);

On the *south-east*, the area included between the coast and a line 20 kilometres from the coast, starting from Cape Eski-Stamboul opposite Tenedos and reaching the Sea of Marmora at a point on the coast immediately north of Karabigha.

*Bosphorus* (without prejudice to the special provisions relating to Constantinople contained in Article 8) :

On the *east*, the area extending up to a line 15 kilometres from the eastern shore of the Bosphorus;

On the *west*, the area up to a line 15 kilometres from the western shore of the Bosphorus.

2. All the islands in the Sea of Marmora, with the exception of the island of Emir Ali Adasi.

3. In the Aegean Sea, the islands of Samothrace, Lemnos, Imbros, Tenedos and Rabbit Islands.

*Article 5.*—A Commission composed of four representatives appointed respectively by the Governments of France, Great Britain, Italy and Turkey shall meet within 15 days of the coming into force of the present Convention to determine on the spot the boundaries of the zone laid down in Article 4(1).

The Governments represented on that Commission will pay the salaries of their respective representatives.

Any general expenses incurred by the Commission shall be borne in equal shares by the Powers represented thereon.

*Article 6.*—Subject to the provisions of Article 8 concerning Constantinople, there shall exist, in the demilitarised zones and islands, no fortifications, no permanent artillery organisation, no submarine engines of war other than submarine vessels, no military aerial organisation, and no naval base.

No armed forces shall be stationed in the demilitarised zones and islands except the police and gendarmerie forces necessary for the maintenance of order; the armament of such forces will be composed only of revolvers, swords, rifles and four Lewis guns per hundred men, and will exclude any artillery.

In the territorial waters of the demilitarised zones and islands, there shall exist no submarine engines of war other than submarine vessels.

Notwithstanding the preceding paragraphs Turkey will retain the right to transport her armed forces through the demilitarised zones and islands of Turkish territory, as well as through their territorial waters, where the Turkish fleet will have the right to anchor.

Moreover, in so far as the Straits are concerned, the Turkish Government shall have the right to observe by means of aeroplanes or balloons both the surface and the bottom of the sea. Turkish aeroplanes will always be able to fly over the waters of the Straits and the demilitarised zones of Turkish territory, and will have full freedom to alight therein, either on land or on sea.

In the demilitarised zones and islands and in their territorial waters, Turkey and Greece shall similarly be entitled to effect such movements of personnel as are rendered necessary for the instruction outside these zones and islands of the men recruited therein.

Turkey and Greece shall have the right to organize in the said zones and islands in their respective territories any system of observation and communication, both telegraphic, telephonic and visual. Greece shall be entitled to send her fleet into the territorial waters of the demilitarised Greek islands, but may not use these waters as a base of operations against Turkey nor for any military or naval concentration for this purpose.

*Article 7.*—No submarine engines of war other than submarine vessels shall be installed in the waters of the Sea of Marmora.

The Turkish Government shall not install any permanent battery or torpedo tubes, capable of interfering with the passage of the Straits, in the coastal zone of the European shore of the Sea of Marmora or in the coastal zone of the Anatolian shore situated to the east of the demilitarised zone of the Bosphorus as far as Darije.

*Article 8.*—At Constantinople, including for this purpose Stamboul, Pera, Galata, Scutari, as well as the Princes Islands, and in the immediate neighbourhood of Constantinople, there may be maintained for the requirements of the capital, a garrison with a maximum strength of 12,000 men. An arsenal and naval base may also be maintained at Constantinople.

*Article 9.*—If, in case of war, Turkey, or Greece, in pursuance of their belligerent rights, should modify in any way the provisions of demilitarisation prescribed above, they will be bound to re-establish as soon as peace is concluded the regime laid down in the present Convention.

*Article 10.*—There shall be constituted at Constantinople an International Commission composed in accordance with Article 12 and called the "Straits Commission".

*Article 11.*—The Commission will exercise its functions over the waters of the Straits.

*Article 12.*—The Commission shall be composed of a representative of Turkey, who shall be President, and representatives of France, Great Britain, Italy, Japan, Bulgaria, Greece, Roumania, Russia, and the Serb-Croat-Slovene State, in so far as these Powers are signatories of the present Convention, each of these Powers being entitled to representation as from its ratification of the said Convention.

The United States of America, in the event of their acceding to the present Convention, will also be entitled to have one representative on the Commission.

Under the same conditions any independent littoral States of the Black Sea which are not mentioned in the first paragraph of the present Article will possess the same right.

*Article 13.*—The Governments represented on the Commission will pay the salaries of their representatives. Any incidental expenditure incurred by the Commission will be borne by the said Governments in the proportion laid down for the division of the expenses of the League of Nations.

*Article 14.*—It will be the duty of the Commission to

see that the provisions relating to the passage of warships and military aircraft are carried out; these provisions are laid down in paragraphs 2, 3 and 4 of the Annex to Article 2.

*Article 15.*—The Straits Commission will carry out its functions under the auspices of the League of Nations, and will address to the League an annual report giving an account of its activities, and furnishing all information which may be useful in the interests of commerce and navigation; with this object in view the Commission will place itself in touch with the departments of the Turkish Government dealing with navigation through the Straits.

*Article 16.*—It will be the duty of the Commission to prescribe such regulations as may be necessary for the accomplishment of its task.

*Article 17.*—The terms of the present Convention will not infringe the right of Turkey to move her fleet freely in Turkish waters.

*Article 18.*—The High Contracting Parties, desiring to secure that the demilitarisation of the Straits and of the contiguous zones shall not constitute an unjustifiable danger to the military security of Turkey, and that no act of war should imperil the freedom of the Straits or the safety of the demilitarised zones, agree as follows:

Should the freedom of navigation of the Straits or the security of the demilitarised zones be imperilled by a violation of the provisions relating to freedom of passage, or by a surprise attack or some act of war or threat of war, the High Contracting Parties, and in any case France, Great Britain, Italy and Japan, acting in conjunction, will meet such violation, attack, or other act of war or threat of war, by all the means that the Council of the League of Nations may decide for this purpose.

So soon as the circumstances which may have necessitated the action provided for in the preceding paragraph shall have ended, the regime of the Straits as laid down by the terms of the present Convention shall again be strictly applied.

The present provision, which forms an integral part of those relating to the demilitarisation and to the freedom of the Straits, does not prejudice the rights and obligations of the High Contracting Parties under the Covenant of the League of Nations.

*Article 19.*—The High Contracting Parties will use every possible endeavour to induce non-signatory Powers to accede to the present Convention.

This adherence will be notified through the diplomatic channel to the Government of the French Republic, and by that Government to all signatory or adhering States. The adherence will take effect as from the date of notification to the French Government.

*Article 20.*—The present Convention shall be ratified. The ratifications shall be deposited at Paris as soon as possible. . . .

**XXI. Convention Regarding the Regime of the Straits, Signed at Montreux, July 20, 1936. Entered into force November 9, 1936**

[Turkey No. 1 (1936). *Convention regarding the Regime of the Straits with Correspondence relating thereto.* Montreux, July 20, 1936. Cmd. 5249; 173 League of Nations Treaty Series, 213.]

Signatories: Bulgaria, France, Great Britain, Greece, Japan, Rumania, Turkey, U.S.S.R., and Yugoslavia.

*Article 1.*—The High Contracting Parties recognise and affirm the principle of freedom of transit and navigation by sea in the Straits.

The exercise of this freedom shall henceforth be regulated by the provisions of the present Convention.

**SECTION I.—Merchant Vessels**

*Article 2.*—In time of peace, merchant vessels shall enjoy complete freedom of transit and navigation in the Straits, by day and by night, under any flag and with any kind of cargo, without any formalities, except as provided in Article 3 below. No taxes or charges other than those authorised by Annex I to the present Convention shall be levied by the Turkish authorities on these vessels when passing in transit without calling at a port in the Straits.

In order to facilitate the collection of these taxes or charges merchant vessels passing through the Straits shall communicate to the officials at the stations referred to in Article 3 their name, nationality, tonnage, destination and last port of call (provenance).

Pilotage and towage remain optional.

*Article 3.*—All ships entering the Straits by the Aegean Sea or by the Black Sea shall stop at a sanitary station near the entrance to the Straits for the purposes of the sanitary control prescribed by Turkish law within the framework of international sanitary regulations. This control, in the case of ships possessing a clean bill of health or presenting a declaration of health testifying that they do not fall within the scope of the provisions of the second paragraph of the present article, shall be carried out by day and by night with all possible speed, and the vessels in question shall not be required to make any other stop during their passage through the Straits.

Vessels which have on board cases of plague, cholera, yellow fever, exanthematic typhus or smallpox, or which have had such cases on board during the previous seven days, and vessels which have left an infected port within less than five times twenty-four hours shall stop at the sanitary stations indicated in the preceding paragraph in order to embark such sanitary guards as the Turkish authorities may direct. No tax or charge shall be levied in respect of these sanitary guards and they shall be dis-

embarked at a sanitary station on departure from the Straits.

*Article 4.*—In time of war, Turkey not being belligerent, merchant vessels, under any flag or with any kind of cargo, shall enjoy freedom of transit and navigation in the Straits subject to the provisions of Articles 2 and 3.

Pilotage and towage remain optional.

*Article 5.*—In time of war, Turkey being belligerent, merchant vessels not belonging to a country at war with Turkey shall enjoy freedom of transit and navigation in the Straits on condition that they do not in any way assist the enemy.

Such vessels shall enter the Straits by day and their transit shall be effected by the route which shall in each case be indicated by the Turkish authorities.

*Article 6.*—Should Turkey consider herself to be threatened with imminent danger of war, the provisions of Article 2 shall nevertheless continue to be applied except that vessels must enter the Straits by day and that their transit must be effected by the route which shall, in each case, be indicated by the Turkish authorities.

Pilotage may, in this case, be made obligatory, but no charge shall be levied.

*Article 7.*—The term "merchant vessels" applies to all vessels which are not covered by Section II of the present Convention.

#### SECTION II.—*Vessels of War*

*Article 8.*—For the purposes of the present Convention, the definitions of vessels of war and of their specification together with those relating to the calculation of tonnage shall be as set forth in Annex II to the present Convention.

*Article 9.*—Naval auxiliary vessels specifically designed for the carriage of fuel, liquid or non-liquid, shall not be subject to the provisions of Article 13 regarding notification, nor shall they be counted for the purpose of calculating the tonnage which is subject to limitation under Articles 14 and 18, on condition that they shall pass through the Straits singly. They shall, however, continue to be on the same footing as vessels of war for the purpose of the remaining provisions governing transit.

The auxiliary vessels specified in the preceding paragraph shall only be entitled to benefit by the exceptional status therein contemplated if their armament does not include: for use against floating targets, more than two guns of a maximum calibre of 105 millimetres; for use against aerial targets, more than two guns of a maximum calibre of 75 millimetres.

*Article 10.*—In time of peace, light surface vessels, minor war vessels and auxiliary vessels, whether belonging to Black Sea or non-Black Sea Powers, and whatever their flag, shall enjoy freedom of transit through the Straits without any taxes or charges whatever, provided that such transit is begun during daylight and subject to the conditions laid down in Article 13 and the articles following thereafter.

Vessels of war other than those which fall within the

categories specified in the preceding paragraph shall only enjoy a right of transit under the special conditions provided by Articles 11 and 12.

*Article 11.*—Black Sea Powers may send through the Straits capital ships of a tonnage greater than that laid down in the first paragraph of Article 14, on condition that these vessels pass through the Straits singly, escorted by not more than two destroyers.

*Article 12.*—Black Sea Powers shall have the right to send through the Straits, for the purpose of rejoining their base, submarines constructed or purchased outside the Black Sea, provided that adequate notice of the laying down or purchase of such submarines shall have been given to Turkey.

Submarines belonging to the said Powers shall also be entitled to pass through the Straits to be repaired in dockyards outside the Black Sea on condition that detailed information on the matter is given to Turkey.

In either case, the said submarines must travel by day and on the surface, and must pass through the Straits singly.

*Article 13.*—The transit of vessels of war through the Straits shall be preceded by notification given to the Turkish Government through the diplomatic channel. The normal period of notice shall be eight days; but it is desirable that in the case of non-Black Sea Powers this period should be increased to fifteen days. The notification shall specify the destination, name, type and number of the vessels, as also the date of entry for the outward passage and, if necessary, for the return journey. Any change of date shall be subject to three days' notice.

Entry into the Straits for the outward passage shall take place within a period of five days from the date given in the original notification. After the expiry of this period, a new notification shall be given under the same conditions as for the original notification.

When effecting transit, the commander of the naval force shall, without being under any obligation to stop, communicate to a signal station at the entrance to the Dardanelles or the Bosphorus the exact composition of the force under his orders.

*Article 14.*—The maximum aggregate tonnage of all foreign naval forces which may be in course of transit through the Straits shall not exceed 15,000 tons, except in the cases provided for in Article 11 and in Annex III to the present Convention.

The forces specified in the preceding paragraph shall not, however, comprise more than nine vessels.

Vessels, whether belonging to Black Sea or non-Black Sea Powers, paying visits to a port in the Straits, in accordance with the provisions of Article 17, shall not be included in this tonnage.

Neither shall vessels of war which have suffered damage during their passage through the Straits be included in this tonnage; such vessels, while undergoing repair, shall be subject to any special provisions relating to security laid down by Turkey.

*Article 15.*—Vessels of war in transit through the Straits

shall in no circumstances make use of any aircraft which they may be carrying.

*Article 16.*—Vessels of war in transit through the Straits shall not, except in the event of damage or peril of the sea, remain therein longer than is necessary for them to effect the passage.

*Article 17.*—Nothing in the provisions of the preceding articles shall prevent a naval force of any tonnage or composition from paying a courtesy visit of limited duration to a port in the Straits, at the invitation of the Turkish Government. Any such force must leave the Straits by the same route as that by which it entered, unless it fulfils the conditions required for passage in transit through the Straits as laid down by Articles 10, 14, and 18.

*Article 18.*—(1) The aggregate tonnage which non-Black Sea Powers may have in that sea in time of peace shall be limited as follows:

(a) Except as provided in paragraph (b) below, the aggregate tonnage of the said Powers shall not exceed 30,000 tons;

(b) If at any time the tonnage of the strongest fleet in the Black Sea shall exceed by at least 10,000 tons the tonnage of the strongest fleet in that sea at the date of the signature of the present Convention, the aggregate tonnage of 30,000 tons mentioned in paragraph (a) shall be increased by the same amount, up to a maximum of 45,000 tons. For this purpose, each Black Sea Power shall, in conformity with Annex IV to the present Convention, inform the Turkish Government, on the 1st January and the 1st July of each year, of the total tonnage of its fleet in the Black Sea; and the Turkish Government shall transmit this information to the other High Contracting Parties and to the Secretary-General of the League of Nations.

(c) The tonnage which any one non-Black Sea Power may have in the Black Sea shall be limited to two-thirds of the aggregate tonnage provided for in paragraphs (a) and (b) above;

(d) In the event, however, of one or more non-Black Sea Powers desiring to send naval forces into the Black Sea, for a humanitarian purpose, the said forces, which shall in no case exceed 8,000 tons altogether, shall be allowed to enter the Black Sea without having to give the notification provided in Article 13 of the present Convention, provided an authorisation is obtained from the Turkish Government in the following circumstances: if the figure of the aggregate tonnage specified in paragraphs (a) and (b) above has not been reached and will not be exceeded by the despatch of the forces which it is desired to send, the Turkish Government shall grant the said authorisation within the shortest possible time after receiving the request which has been addressed to it; if the said figure has already been reached or if the despatch of the forces which it is desired to send will cause it to be exceeded, the Turkish Government will immediately inform the other Black Sea Powers of the request for authorisation, and if the said Powers make no objection within twenty-four hours of having

received this information, the Turkish Government shall, within twenty-four hours at the latest, inform the interested Powers of the reply which it has decided to make to their request.

Any further entry into the Black Sea of naval forces of non-Black Sea Powers shall only be effected within the available limits of the aggregate tonnage provided for in paragraphs (a) and (b) above.

(2) Vessels of war belonging to non-Black Sea Powers shall not remain in the Black Sea more than twenty-one days, whatever be the object of their presence there.

*Article 19.*—In time of war, Turkey not being belligerent, warships shall enjoy complete freedom of transit and navigation through the Straits under the same conditions as those laid down in Articles 10 to 18.

Vessels of war belonging to belligerent Powers shall not, however, pass through the Straits except in cases arising out of the application of Article 25 of the present Convention, and in cases of assistance rendered to a State victim of aggression in virtue of a treaty of mutual assistance binding Turkey, concluded within the framework of the Covenant of the League of Nations, and registered and published in accordance with the provisions of Article 18 of the Covenant.

In the exceptional cases provided for in the preceding paragraph, the limitations laid down in Articles 10 to 18 of the present Convention shall not be applicable.

Notwithstanding the prohibition of passage laid down in paragraph 2 above, vessels of war belonging to belligerent Powers, whether they are Black Sea Powers or not, which have become separated from their bases, may return thereto.

Vessels of war belonging to belligerent Powers shall not make any capture, exercise the right of visit and search, or carry out any hostile act in the Straits.

*Article 20.*—In time of war, Turkey being belligerent, the provisions of Articles 10 to 18 shall not be applicable; the passage of warships shall be left entirely to the discretion of the Turkish Government.

*Article 21.*—Should Turkey consider herself to be threatened with imminent danger of war she shall have the right to apply the provisions of Article 20 of the present Convention.

Vessels which have passed through the Straits before Turkey has made use of the powers conferred upon her by the preceding paragraph, and which thus find themselves separated from their bases, may return thereto. It is, however, understood that Turkey may deny this right to vessels of war belonging to the State whose attitude has given rise to the application of the present article.

Should the Turkish Government make use of the powers conferred by the first paragraph of the present article, a notification to that effect shall be addressed to the High Contracting Parties and to the Secretary-General of the League of Nations.

If the Council of the League of Nations decide by a majority of two-thirds that the measures thus taken by Turkey are not justified, and if such should also be the

opinion of the majority of the High Contracting Parties signatories to the present Convention, the Turkish Government undertakes to discontinue the measures in question as also any measures which may have been taken under Article 6 of the present Convention.

*Article 22.*—Vessels of war which have on board cases of plague, cholera, yellow fever, exanthematic typhus or smallpox or which have had such cases on board within the last seven days and vessels of war which have left an infected port within less than five times twenty-four hours must pass through the Straits in quarantine and apply by the means on board such prophylactic measures as are necessary in order to prevent any possibility of the Straits being infected.

#### SECTION III.—Aircraft

*Article 23.*—In order to assure the passage of civil aircraft between the Mediterranean and the Black Sea, the Turkish Government will indicate the air routes available for this purpose, outside the forbidden zones which may be established in the Straits. Civil aircraft may use these routes provided that they give the Turkish Government, as regards occasional flights, a notification of three days, and as regards flights on regular services, a general notification of the dates of passage.

The Turkish Government moreover undertakes, notwithstanding any remilitarization of the Straits, to furnish the necessary facilities for the safe passage of civil aircraft authorized under the air regulations in force in Turkey to fly across Turkish territory between Europe and Asia. The route which is to be followed in the Straits zone by aircraft which have obtained an authorization shall be indicated from time to time.

#### SECTION IV.—General Provisions

*Article 24.*—The functions of the International Commission set up under the Convention relating to the regime of the Straits of the 24th July, 1923, are hereby transferred to the Turkish Government.

The Turkish Government undertakes to collect statistics and to furnish information concerning the application of Articles 11, 12, 14 and 18 of the present Convention.

They will supervise the execution of all the provisions of the present Convention relating to the passage of vessels of war through the Straits.

As soon as they have been notified of the intended passage through the Straits of a foreign naval force the Turkish Government shall inform the representatives at Angora of the High Contracting Parties of the composition of that force, its tonnage, the date fixed for its entry into the Straits, and, if necessary, the probable date of its return.

The Turkish Government shall address to the Secretary-General of the League of Nations and to the High Contracting Parties an annual report giving details regarding the movements of foreign vessels of war through the Straits and furnishing all information which may be of service to commerce and navigation, both by sea and by

air, for which provision is made in the present Convention.

*Article 25.*—Nothing in the present Convention shall prejudice the rights and obligations of Turkey, or of any of the other High Contracting Parties members of the League of Nations, arising out of the Covenant of the League of Nations.

#### SECTION V.—Final Provisions

*Article 26.*—The present Convention shall be ratified as soon as possible.

The ratifications shall be deposited in the archives of the Government of the French Republic in Paris.

The Japanese Government shall be entitled to inform the Government of the French Republic through their diplomatic representative in Paris that the ratification has been given, and in that case they shall transmit the instrument of ratification as soon as possible.

A *proces-verbal* of the deposit of ratifications shall be drawn up as soon as six instruments of ratification, including that of Turkey, shall have been deposited. For this purpose the notification provided for in the preceding paragraph shall be taken as the equivalent of the deposit of an instrument of ratification.

The present Convention shall come into force on the date of the said *proces-verbal*.

The French Government will transmit to all the High Contracting Parties an authentic copy of the *proces-verbal* provided for in the preceding paragraph and of the *proces-verbaux* of the deposit of any subsequent ratifications.

*Article 27.*—The present Convention shall, as from the date of its entry into force, be open to accession by any Power signatory to the Treaty of Peace at Lausanne signed on the 24th July, 1923.

Each accession shall be notified, through the diplomatic channel, to the Government of the French Republic, and by the latter to all the High Contracting Parties.

Accessions shall come into force as from the date of notification to the French Government.

*Article 28.*—The present Convention shall remain in force for twenty years from the date of its entry into force.

The principle of freedom of transit and navigation affirmed in Article 1 of the present Convention shall however continue without limit of time.

If, two years prior to the expiry of the said period of twenty years, no High Contracting Party shall have given notice of denunciation to the French Government the present Convention shall continue in force until two years after such notice shall have been given. Any such notice shall be communicated by the French Government to the High Contracting Parties.

In the event of the present Convention being denounced in accordance with the provisions of the present article, the High Contracting Parties agree to be represented at a conference for the purpose of concluding a new Convention.

*Article 29.*—At the expiry of each period of five years

from the date of the entry into force of the present Convention each of the High Contracting Parties shall be entitled to initiate a proposal for amending one or more of the provisions of the present Convention.

To be valid, any request for revision formulated by one of the High Contracting Parties must be supported, in the case of modifications to Articles 14 to 18, by one other High Contracting Party, and, in the case of modifications to any other article, by two other High Contracting Parties.

Any request for revision thus supported must be notified to all the High Contracting Parties three months prior to the expiry of the current period of five years. This notification shall contain details of the proposed

amendments and the reasons which have given rise to them.

Should it be found impossible to reach an agreement on these proposals through the diplomatic channel, the High Contracting Parties agree to be represented at a conference to be summoned for this purpose.

Such a conference may only take decisions by a unanimous vote, except as regards cases of revision involving Articles 14 and 18, for which a majority of three-quarters of the High Contracting Parties shall be sufficient.

The said majority shall include three-quarters of the High Contracting Parties which are Black Sea Powers, including Turkey. . . .

## **XXII. Commerce and Navigation Treaty Between the United States of America and the Turkish Republic, October 1, 1929. Proclaimed April 25, 1930**

[Treaty Series 813.]

*Article III.*—(a) Vessels of the United States of America will enjoy in Turkey and Turkish vessels will enjoy in the United States of America the same treatment as national vessels.

(b) The stipulations of Article III paragraph (a) do not apply:

(1) To coastwise traffic (cabotage) governed by the laws which are or shall be in force within the territories of each of the High Contracting Parties;

(2) To the support in the form of bounties or subsidies of any kind which is or may be accorded to the national merchant marine;

(3) To fishing in the territorial waters of the High Contracting Parties; nor to special privileges which have been or may be recognized, in one or the other country, to products of national fishing;

(4) To the exercise of the maritime service of ports, roadsteads or seacoasts; nor to pilotage and towage; nor to diving; nor of maritime assistance and salvage; so long as such operations are carried out in the respective territorial waters, and for Turkey in the Sea of Marmara.

(c) All other exceptions not included in those mentioned above shall be subject to most-favored-nation treatment.

## **XXIII. Reciprocal Trade Agreement and Supplementary Exchange of Notes Between the United States of America and Turkey, April 1, 1939. Effective Definitively November 20, 1939**

[Executive Agreement Series 163.]

*Article VI.*—Unconditional most-favored-nation treatment shall be accorded by the Government of each country to the commerce of the other country with respect to customs duties or charges imposed on or in connection with imports or exports and the method of levying such duties or charges, with respect to all regulations and formalities in connection with importation or exportation, the sale or use of imported products within the country, transit, warehousing, the transshipment of goods, the re-exporta-

tion of goods, and with respect to official charges applicable to these various operations.

Unconditional most-favored-nation treatment shall likewise be accorded by the Government of each country to the commerce of the other country with respect to all duties, charges or exactions other than customs duties imposed on or in connection with imports or exports.

In awarding contracts for public works and in purchasing non-military supplies, the Government of neither country shall discriminate against the other country in favor of any third country.

## THE UNITED NATIONS

### President Truman's Address to the General Assembly

On behalf of the Government and the people of the United States I extend a warm welcome to the delegates who have come here from all parts of the world to represent their countries at this meeting of the General Assembly of the United Nations.

I recall with great pleasure the last occasion on which I met and spoke with the representatives of the United Nations. Many of you who are here today were present then. It was the final day of the conference at San Francisco, when the United Nations Charter was signed. On that day the constitutional foundation of the United Nations was laid.

For the people of my country this meeting has a special historic significance. After the first World War the United States refused to join the League of Nations, and our seat was empty at the first meeting of the League Assembly. This time the United States is not only a member; it is host to the United Nations.

I can assure you that the Government and the people of the United States are deeply proud and grateful that the United Nations has chosen our country for its headquarters. We will extend the

fullest measure of cooperation in making a home for the United Nations in this country. The American people welcome the delegates and the Secretariat of the United Nations as good neighbors and warm friends.

This meeting of the Assembly symbolizes the abandonment by the United States of a policy of isolation.

The overwhelming majority of the American people, regardless of party, support the United Nations.

They are resolved that the United States, to the full limit of its strength, shall contribute to the establishment and maintenance of a just and lasting peace among the nations of the world.

However, I must tell you that the American people are troubled by the failure of the Allied nations to make more progress in their common search for lasting peace.

It is important to remember the intended place of the United Nations in moving toward this goal. The United Nations—as an organization—was *not* intended to settle the problems arising immediately out of the war. The United Nations *was* intended to provide the means for maintaining international peace in the future after just settlements have been made.

The settlement of these problems was deliberately consigned to negotiations among the Allies, as distinguished from the United Nations. This

<sup>1</sup> Delivered at the opening session of the Second Part of the First Session of the General Assembly in New York City on Oct. 23 and released to the press by the White House on the same date.

was done in order to give the United Nations a better opportunity and a freer hand to carry out its long-range task of providing peaceful means for the adjustment of future differences, some of which might arise out of the settlements made as a result of this war.

The United Nations cannot, however, fulfil adequately its own responsibilities until the peace settlements have been made and unless these settlements form a solid foundation upon which to build a permanent peace.

I submit that these settlements, and our search for everlasting peace, rest upon the four essential freedoms.

These are freedom of speech, freedom of religion, freedom from want, and freedom from fear. These are fundamental freedoms to which all the United Nations are pledged under the Charter.

To the attainment of these freedoms—everywhere in the world—through the friendly cooperation of all nations, the Government and people of the United States are dedicated.

The fourth freedom—freedom from fear—means, above all else, freedom from fear of war. This freedom is attainable *now*.

Lately, we have all heard talk about the possibility of another world war. Fears have been aroused all over the world.

These fears are unwarranted and unjustified.

However, rumors of war still find willing listeners in certain places. If these rumors are not checked they are sure to impede world recovery.

I have been reading reports from many parts of the world. These reports all agree on one major point—the people of every nation are sick of war. They know its agony and its futility. No responsible government can ignore this universal feeling.

The United States of America has no wish to make war, now or in the future, upon any people anywhere in the world. The heart of our foreign policy is a sincere desire for peace. This nation will work patiently for peace by every means consistent with self-respect and security. Another world war would shatter the hopes of mankind and completely destroy civilization as we know it.

I am sure that every delegate in this hall will join me in rejecting talk of war. No nation wants war. Every nation needs peace.

To avoid war and rumors and danger of war, the peoples of all countries must not only cherish peace as an ideal but they must develop means of settling conflicts between nations in accordance with principles of law and justice.

The difficulty is that it is easier to get people to agree upon peace as an ideal than to agree upon principles of law and justice or to agree to subject their own acts to the collective judgment of mankind.

But difficult as the task may be, the path along which agreement may be sought with hope of success is clearly defined.

In the first place, every member of the United Nations is legally and morally bound by the Charter to keep the peace. More specifically, every member is bound to refrain in its international relations from the threat or use of force against the territorial integrity or political independence of any state.

In the second place, I remind you that 23 members of the United Nations have bound themselves by the Charter of the Nürnberg Tribunal to the principle that planning, initiating, or waging a war of aggression is a crime against humanity for which individuals as well as states shall be tried before the bar of international justice.

The basic principles upon which we are agreed go far, but not far enough, in removing fear of war from the world. There must be agreement upon a positive, constructive course of action as well.

The peoples of the world know that there can be no real peace unless it is peace with justice for all—justice for small nations and for large nations, and justice for individuals without distinction as to race, creed, or color—a peace that will advance, not retard, the attainment of the four freedoms.

We shall attain freedom from fear when every act of every nation, in its dealings with every other nation, brings closer to realization the other freedoms—freedom of speech, freedom of religion, and freedom from want. Along this path we can find justice for all, without distinction between the strong and the weak among nations, and without discrimination among individuals.

After the peace has been made, I am convinced that the United Nations can and will prevent war

between nations and remove the fear of war that distracts the peoples of the world and interferes with their progress toward a better life.

The war has left many parts of the world in turmoil. Differences have arisen among the Allies. It will not help us to pretend that this is not the case. But it is not necessary to exaggerate the differences.

For my part, I believe there is no difference of interest that need stand in the way of settling these problems and settling them in accordance with the principles of the United Nations Charter. Above all, we must not permit differences in economic and social systems to stand in the way of peace, either now or in the future. To permit the United Nations to be broken into irreconcilable parts by different political philosophies would bring disaster to the world.

So far as Germany and Japan are concerned, the United States is resolved that neither shall again become a cause for war. We shall continue to seek agreement upon peace terms which ensure that both Germany and Japan remain disarmed, that Nazi influence in Germany be destroyed, and that the power of the war lords in Japan be eliminated forever.

The United States will continue to seek settlements arising from the war that are just to all states, large and small, that uphold the human rights and fundamental freedoms to which the Charter pledges all its members, and that do not contain the seeds of new conflicts.

A peace between the nations based on justice will make possible an early improvement in living conditions throughout the world and a quick recovery from the ravages of war. The world is crying for a just and durable peace with an intensity that must force its attainment at the earliest possible date.

If the members of the United Nations are to act together to remove the fear of war, the first requirement is for the Allied nations to reach agreement on the peace settlements.

Propaganda that promotes distrust and misunderstanding among the Allies will not help us. Agreements designed to remove the fear of war can be reached only by the cooperation of nations to respect the legitimate interests of all states and act as good neighbors toward each other.

Lasting agreements between allies cannot be imposed by one nation nor can they be reached at the expense of the security, independence, or integrity of any nation. There must be accommodation by all the Allied nations in which mutual adjustments of lesser national interests are made in order to serve the greater interest of all in peace, security, and justice.

This Assembly can do much toward recreating the spirit of friendly cooperation and toward reaffirming those principles of the United Nations which must be applied to the peace settlements. It must also prepare and strengthen the United Nations for the tasks that lie ahead after the settlements have been made.

All member nations, large and small, are represented here as equals. Wisdom is not the monopoly of strength or size. Small nations can contribute equally with the large nations toward bringing constructive thought and wise judgment to bear upon the formation of collective policy.

This Assembly is the world's supreme deliberative body.

The highest obligation of this Assembly is to speak for all mankind in such a way as to promote the unity of all members in behalf of a peace that will be lasting because it is founded upon justice.

In seeking unity we should not be concerned about expressing differences freely. The United States believes that this Assembly should demonstrate the importance of freedom of speech to the cause of peace. I do not share the view of any who are fearful of the effects of free and frank discussion in the United Nations.

The United States attaches great importance to the principle of free discussion in this Assembly and in the Security Council. The free and direct exchange of arguments and information promotes understanding and therefore contributes, in the long run, to the removal of the fear of war and some of the causes of war.

The United States believes that the rule of unanimous accord among the five permanent members of the Security Council imposes upon these members a special obligation. This obligation is to seek and reach agreements that will enable them and the Security Council to fulfil the responsibil-

ities they have assumed under the Charter toward their fellow members of the United Nations and toward the maintenance of peace.

It is essential to the future of the United Nations that the members should use the Council as a means for promoting settlement of disputes as well as for airing them. The exercise of neither veto rights nor majority rights can make peace secure. There is no substitute for agreements that are universally acceptable because they are just to all concerned. The Security Council is intended to promote that kind of agreement and it is fully qualified for that purpose.

Because it is able to function continuously, the Security Council represents a most significant development in international relations—the continuing application of the public and peaceful methods of a council chamber to the settlement of disputes between nations.

Two of the greatest obligations undertaken by the United Nations toward the removal of the fear of war remain to be fulfilled.

First, we must reach an agreement establishing international controls of atomic energy that will ensure its use for peaceful purposes only, in accordance with the Assembly's unanimous resolution of last winter.

Second, we must reach agreements that will remove the deadly fear of other weapons of mass destruction, in accordance with the same resolution.

Each of these obligations is going to be difficult to fulfil. Their fulfilment will require the utmost in perseverance and good faith, and we cannot succeed without setting fundamental precedents in the law of nations. Each will be worth everything in perseverance and good faith that we can give to it. The future safety of the United Nations, and of every member nation, depends upon the outcome.

On behalf of the United States I can say we are not discouraged. We shall continue to seek agreement by every possible means.

At the same time we shall also press for preparation of agreements in order that the Security Council may have at its disposal peace forces adequate to prevent acts of aggression.

The United Nations will not be able to remove the fear of war from the world unless substantial progress can be made in the next few years toward the realization of another of the four freedoms—freedom from want.

The Charter pledges the members of the United Nations to work together toward this end. The structure of the United Nations in this field is now nearing completion, with the Economic and Social Council, its commissions, and related specialized agencies. It provides more complete and effective institutions through which to work than the world has ever had before.

A great opportunity lies before us.

In these constructive tasks which concern directly the lives and welfare of human beings throughout the world, humanity and self-interest alike demand of all of us the fullest cooperation.

The United States has already demonstrated in many ways its grave concern about economic reconstruction that will repair the damage done by war.

We have participated actively in every measure taken by the United Nations toward this end. We have in addition taken such separate national action as the granting of large loans and credits and renewal of our reciprocal trade-agreements program.

Through the establishment of the Food and Agriculture Organization, the International Bank for Reconstruction and Development, and the International Monetary Fund, members of the United Nations have proved their capacity for constructive cooperation toward common economic objectives. In addition, the International Labor Organization is being brought into relationship with the United Nations.

Now we must complete the structure. The United States attaches the highest importance to the creation of the International Trade Organization now being discussed in London by a preparatory committee.

This country wants to see, not only the rapid restoration of devastated areas, but the industrial and agricultural progress of the less well-developed areas of the world.

We believe that all nations should be able to

develop a healthy economic life of their own. We believe that all peoples should be able to reap the benefits of their own labor and of their own natural resources.

There are immense possibilities in many parts of the world for industrial development and agricultural modernization.

These possibilities can be realized only by the cooperation of members of the United Nations, helping each other on a basis of equal rights.

In the field of social reconstruction and advancement the completion of the charter for a world health organization is an important step forward.

The Assembly now has before it for adoption the constitution of another specialized agency in this field—the International Refugee Organization. It is essential that this Organization be created in time to take over from UNRRA as early as possible in the new year the tasks of caring for and repatriating or resettling the refugees and displaced persons of Europe. There will be similar tasks, of great magnitude, in the Far East.

The United States considers this a matter of great urgency in the cause of restoring peace and in the cause of humanity itself.

I intend to urge the Congress of the United States to authorize this country to do its full part both in financial support of the International Refugee Organization and in joining with other nations to receive those refugees who do not wish to return to their former homes for reasons of political or religious belief.

The United States believes a concerted effort must be made to break down the barriers to a free flow of information among the nations of the world.

We regard freedom of expression and freedom to receive information—the right of the people to know—as among the most important of those human rights and fundamental freedoms to which we are pledged under the United Nations Charter.

The United Nations Educational, Scientific and Cultural Organization, which is meeting in November, is a recognition of this fact. That Organization is built upon the premise that since wars begin in the minds of men, the defense of peace must be constructed in the minds of men,

and that a free exchange of ideas and knowledge among peoples is necessary to this task. The United States therefore attaches great importance to all activities designed to break down barriers to mutual understanding and to wider tolerance.

The United States will support the United Nations with all the resources that we possess.

The use of force or the threat of force anywhere in the world to break the peace is of direct concern to the American people.

The course of history has made us one of the stronger nations of the world. It has therefore placed upon us special responsibilities to conserve our strength and to use it rightly in a world so interdependent as our world today.

The American people recognize these special responsibilities. We shall do our best to meet them, both in the making of the peace settlements and in the fulfilment of the long-range tasks of the United Nations.

The American people look upon the United Nations not as a temporary expedient but as a permanent partnership—a partnership among the peoples of the world for their common peace and common well-being.

It must be the determined purpose of all of us to see that the United Nations lives and grows in the minds and the hearts of all peoples.

May Almighty God, in His infinite wisdom and mercy, guide us and sustain us as we seek to bring peace everlasting to the world.

With His help we shall succeed.

## THE FOREIGN SERVICE

### Diplomatic and Consular Offices

The American Vice Consulate at Curitiba, Brazil, was closed to the public on October 12, 1946.

The American Consulate at San Sebastian, Spain, was closed on September 30, 1946.

The status of the American Mission at Vienna, Austria, has been changed to that of Legation, effective September 7, 1946.

## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### *Calendar of Meetings*

<b>In Session as of October 27, 1946</b>		
Far Eastern Commission.....	Washington.....	February 26
United Nations:		
Security Council.....	Lake Success.....	March 25
Military Staff Committee.....	Lake Success.....	March 25
Commission on Atomic Energy.....	Lake Success.....	June 14
UNRRA - Intergovernmental Committee on Refugees: Joint Planning Committee.....	Washington and Lake Success.....	July 25
General Assembly.....	Flushing Meadows...	October 23
German External Property Negotiations with Portugal (Safehaven)...	Lisbon.....	September 3
PICAO: Interim Council.....	Montreal.....	September 4
Preparatory Commission of the International Conference on Trade and Employment: First Meeting.....	London.....	October 15
Second Pan American Conference on Leprosy.....	Rio de Janeiro.....	October 19-31
International Committee on Weights and Measures.....	Paris.....	October 22
Permanent Committee of the International Health Office.....	Paris.....	October 23
United Maritime Consultative Council: Second Meeting.....	Washington.....	October 24-30
<b>Scheduled</b>		
PICAO:		
Regional		
Air Traffic Control Committee, European-Mediterranean Region Divisional.....	Paris.....	October 28
Divisional		
Meteorological Division.....	Montreal.....	October 29
Special Radio Technical Division.....	Montreal.....	October 30-November 8
Communications Division.....	Montreal.....	November 19
Search and Rescue Division.....	Montreal.....	November 26
Rules of the Air and Air Traffic Control Practices Division.....	Montreal.....	December 3
Personnel Licensing Division.....	Montreal.....	January 7
Aeronautical Maps and Charts Division.....	Montreal.....	January 14
Informal Four Power Broadcasting Conference.....	Paris.....	October 28-30
International Commission for Air Navigation (CINA): Twenty-ninth Session.....	Dublin.....	October 28-31
FAO: Preparatory Commission To Study World Food Board Pro- posals.....	Washington.....	October 28

Calendar prepared in the Division of International Conferences, Department of State.

*Calendar of Meetings—Continued*

World Health Organization: Interim Commission.....	Geneva.....	November 4
Council of Foreign Ministers.....	New York.....	November 4
International Telegraph Consulting Committee (CCIT).....	London.....	November 4-9
IARA: Meetings on Conflicting Custodial Claims.....	Brussels.....	November 6
International Technical Committee of Aerial Legal Experts (CITEJA).....	Cairo.....	November 6
International Wool Meeting.....	London.....	November 11-16
ILO:		
Industrial Committee on Textiles.....	Brussels.....	November 14-22
Industrial Committee on Building, Civil Engineering and Public Works.....	Brussels.....	November 25-December 3
UNESCO:		
Preparatory Commission.....	Paris.....	November 14-15
General Conference.....	Paris.....	November 19
"Month Exhibition".....	Paris.....	November
Second Inter-American Congress of Radiology.....	Habana.....	November 17-22
Rubber Study Group Meeting.....	The Hague.....	November 25
United Nations:		
Economic and Social Council		
Commission on Narcotic Drugs.....	Lake Success.....	November 27
Statistical Commission.....	Lake Success.....	January (tentative)
Inter-American Commission of Women: Fifth Annual Assembly.....	Washington.....	December 2-12
Intergovernmental Committee on Refugees (IGCR): Sixth Plenary Session.....	London.....	December 11
Twelfth Pan American Sanitary Conference.....	Caracas.....	January 12-24
Second Pan American Conference on Sanitary Education.....	Caracas.....	January 12-24

*Activities and Developments »*

**FIRST INTER-AMERICAN MEDICAL CONGRESS <sup>1</sup>**

The First Inter-American Medical Congress held at Rio de Janeiro, Brazil, September 7-15, 1946, was attended by 956 doctors representing the following 19 countries of the Western Hemisphere: Brazil, United States, Argentina, Bolivia, Canada, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Mexico, Panama, Paraguay, Peru, Santo Domingo, Uruguay, and Venezuela.

The United States Delegation consisted of Col. Arden Freer, Medical Corps, Chief, Consultants Division, Office of the Surgeon General, War Department; Capt. Carroll P. Hungate, Medical

<sup>1</sup> Prepared by the Division of International Conferences, Department of State.

Corps, U. S. N. R.; Dr. James A. Shannon, Consultant, U. S. Public Health Service, Federal Security Agency; and Capt. John J. Wells, Medical Corps, U. S. N.

In addition to this official Delegation, the following physicians from the United States attended in a private capacity: Dr. R. G. Hoskins, Boston, Mass.; Dr. S. J. McClendon, San Diego, Calif.; Dr. M. T. McEachern, Chicago, Ill.; Dr. Moses Behrend, Philadelphia, Pa.; Col. Charles Bruce, Washington, D. C.; Dr. Albert Berg; Dr. George Cowgill, New Haven, Conn.; Dr. Roland M. Klemme, St. Louis, Mo.; Dr. A. Packchianian; Dr. Tracy Putnam, New York, N. Y.; Dr. Peyton; Dr. Abilio D. da Silva Reis, Oakland, Calif.; and Dr. Howard E. Snyder, Winfield, Kans.

The program consisted of exhibits, scientific meetings at which papers were read, inspection trips, and entertainment. The agenda for the scientific meetings and organization of the Congress centered around the following topics: (1) hospital organization and management; (2) continental immigration policies as to medical and racial aspects; (3) war medicine and surgery; (4) cancer prevention and therapeutics; (5) Chagas disease; (6) nutrition and vitaminology; (7) endocrinology and thyrotoxicosis; (8) tuberculosis; (9) neuropsychiatry; (10) hygiene, public health and continental sanitary legislation; (11) surgical themes; (12) medical themes; and (13) themes of free choice.

The scientific papers presented to the Congress were generally well prepared and freely discussed. It was believed that the conference served a useful purpose in disseminating professional knowledge in the field of medicine and in promoting understanding among the nations represented.

The Congress voted to hold its next meeting at Mexico City in 1948.

#### **FIFTH CONGRESS OF THE POSTAL UNION OF THE AMERICAS AND SPAIN<sup>1</sup>**

On April 3, 1946 the United States Post Office Department received advice that the Fifth Congress of the Postal Union of the Americas and Spain would be held at Rio de Janeiro, Brazil, during the month of September 1946.<sup>2</sup> The necessary

preparations were, therefore, made to have the United States represented at the Congress, and consideration was given various propositions submitted for discussion. The United States Delegation attending the Congress consisted of: John J. Gillen, director, International Postal Service; Edward J. Mahoney, assistant director, International Postal Service; Joseph J. Zarzá, post office inspector; Francis J. Carty, assistant superintendent, New York Post Office; and Fred D. J. Donovan, secretary of the United States Delegation.

Prior to leaving for Rio de Janeiro the United States Delegation prepared the following eleven-point agenda: (1) consideration to be given any propositions that may be submitted regarding "free transit" for air mail; (2) clarification to be sought on the section of the Union's Convention dealing with "free transit" for surface mail—there appeared to be a difference of opinion in the interpretation of the wording of this paragraph; (3) reduction of air-mail postage; (4) establishment of uniform airgraph, letter, and air-mail postage universally; (5) reduction of air transportation charges; (6) inauguration of air parcel post; (7) inauguration of some means by which newspapers and magazines can be sent in bulk at a reduced rate throughout the world for the dissemination of information to all concerned, particularly United States Government representatives in foreign lands; (8) the use of the Fifth Congress as a "sounding board" for the Universal Postal Union Congress scheduled to be held at Paris, France, in May 1947; (9) consideration of several minor changes in the money-order agreement; (10) consideration of the establishment of United States "liaison posts" in certain sections of the world; and (11) philately.

The Congress was officially opened on September 2. The following 23 countries were represented: Argentina, Bolivia, Brazil, Canada, Colombia, Costa Rica, Cuba, Chile, Dominican Republic, Ecuador, El Salvador, Spain, United

<sup>1</sup> Prepared by the Division of International Conferences, Department of State, in collaboration with the Post Office Department.

<sup>2</sup> This Congress was originally scheduled to convene at Rio de Janeiro in September 1941, but the meeting was postponed because of the war.

States of America, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela. A general spirit of cooperativeness and good-will was evident among the delegates.

One of the most important proposals submitted by the United States Delegation dealt with the interpretation of paragraph 3 of the Union's Convention relative to the free transit of mail throughout the countries of the Union. The interpretation submitted by the United States Delegation was accepted by the Postal Congress. Numerous other proposals were submitted by the various countries covering classification and rates of postage on mail matter. After extensive discussions a number of them were approved by the Congress.

Although the United States is not a party to the air mail agreement, the delegates of the other countries requested that the United States representatives take an active part in the deliberations of the Air Mail Committee. Consequently, the United States Delegation worked with the Air Mail Committee for several days, and it was believed that a number of the provisions of the

agreement were improved. However, it was not believed to be to the advantage of the United States to become a party to the air mail agreement in view of the present changeable situation in air transportation and especially considering the many changes which might occur at the forthcoming congress of the Universal Postal Union at Paris.

It was decided to hold the Sixth Congress of the Postal Union of the Americas and Spain in Lima, Peru, possibly in 1949. In view of the fact that previous Congresses had been held in South America, it was felt by the United States Delegation that consideration should be given to the holding of the Seventh Congress in the United States, possibly in Washington.

The concluding meeting of the Congress was held on September 25, at which time the final documents were signed by the delegates.

At the termination of the Congress the United States delegates returned to Washington by way of Montevideo, Buenos Aires, Santiago, Lima, and Balboa for the purpose of contacting and interviewing various postal officials and United States Government representatives in those countries.

## **United Maritime Consultative Council: Second Session**

**By UNDER SECRETARY FOR ECONOMIC AFFAIRS, WILLIAM L. CLAYTON<sup>1</sup>**

GENTLEMEN :

Aside from the necessities of war and its aftermath, many nations of the world were working together for international purposes as regards shipping before the United Nations came into existence. That is a factor of no small significance. An example of such cooperation is in the field of maritime safety where governments have been working together on such problems as collision rules and codes of signals for many years. The *Titanic* disaster in 1912 was the immediate cause for the convening of the first great diplomatic conference regarding safety of life at sea in 1914.

<sup>1</sup> Address delivered before the Council in Washington on Oct. 24 and released to the press on the same date.

World War I prevented the ratification of the treaty developed in that conference; the now existing safety treaty was adopted at the 1929 conference. It is now believed desirable that this treaty be brought up to date. The idea has been advanced that safety matters would be facilitated if an international organization with a permanent secretariat were established in the field of maritime safety. We in the United States have had these problems under study for nearly two years by committees on which interested governmental agencies and representatives of the shipping and shipbuilding industries were represented. Originally it was considered doubtful whether it would be possible to bring the nations together on the establishment of an intergovernmental organiza-

tion covering even so technical a subject as safety of life at sea, a subject that has a minimum of political and economic implications. With the passage of time, however, the United Nations has been organized and cooperation has been established in several fields where formerly there was no continuing basis for intergovernmental cooperation. In the light of these developments, if a continuing intergovernmental organization were decided upon, the step in no sense would be revolutionary.

The United Maritime Authority, however, did a different type job under the exigencies of war. The pooling of Allied shipping and the allocation of tonnages in accordance with common objectives showed that it was possible to subordinate normal competitive shipping interests of various countries to international necessities. Nevertheless we were all relieved when it became possible to lay aside the UMA controls and to restore freedom of shipping operations with limited coordination in the ocean transportation of UNRRA and other relief and rehabilitation cargoes. Meanwhile the United Maritime Consultative Council filled the need for a forum for the discussion of shipping problems of interest to the participating governments.

Last spring the temporary Transport and Communications Commission of the Economic and Social Council recommended the establishment of an international organization in the shipping field to handle technical matters. Acting upon this recommendation in June, the Economic and Social Council asked the United Maritime Consultative Council, which was then holding its first session in Amsterdam, for its views on this question.

The Council at Amsterdam indicated its belief that a permanent organization probably would be necessary and established a working committee in London to study the problem. This Committee's recommendations for the suggested international organization are before this session of the UMCC for consideration.

A principal item on your agenda is your reply to the United Nations' inquiry requesting your views on the possible establishment of an intergovernmental organization. In this undertaking you have my support and may you arrive at the best possible solution, whatever that may be.

Whatever you may decide to recommend or not to recommend with regard to an international organization, I am sure you will have in mind the lessons of the war and the necessity for a cooperative peace. I hope the friendships between you developed during the war will be cemented still more closely in peace by this opportunity to exchange your views and to work toward a common goal.

I cannot close without brief reference to a subject so near and dear to my heart and that is the importance of the economic aspects of the peace which we are all striving to put on a permanent basis throughout the world.

It should be self-evident that ocean shipping will play a part in the building and maintenance of this peace no less important than the part it played in winning the war for freedom.

The power-driven vessel plying the free seas is the cheapest form of transportation in the world.

For many years we shipped cotton from Houston to Shanghai at less cost than it took to bring it from Oklahoma to Houston.

Man himself can now fly over the seas quicker than he can travel on the surface, but it seems safe to say that his goods will for the most part always travel on and not above the water.

There is now meeting in London a conference of 18 nations called by the Economic and Social Council for a preliminary discussion of the proposals of the United States Government for the expansion of world trade and employment.

These proposals contemplate a reduction in the barriers to international trade and the elimination of discriminations in such trade; they provide for the establishment through the Economic and Social Council of an International Trade Organization designed to substitute multilateral for unilateral action in the international trade field.

Heretofore nations have acted unilaterally in this field. In so doing they have often taken measures which injured their neighbors, the neighbors retaliated with the result that all were hurt and all were mad.

Our proposals are designed to bring about a great expansion in world economy—increased production and consumption, and a great increase

*(Continued on page 822)*

## THE RECORD OF THE WEEK

### U.S. Efforts to Secure Free Elections in Bulgaria

#### NOTE FROM THE SECRETARY OF STATE TO BULGARIAN PRIME MINISTER<sup>1</sup>

[Released to the press October 21]  
*September 24, 1946*

Since our conversation on August 27 about political conditions in your country and the problem those conditions create for the United States in signing peace with Bulgaria, I have given considerable thought to Bulgaro - United States relations.

I had hoped that implementation of the program set forth in the aide memoire handed by you to Mr. Barnes on August 31 for my information would go far to dissipate the problems that I discussed with you. As I told you, it is my belief that implementation of the Moscow Agreement to enlarge the basis of the Bulgarian Government by the inclusion of two representative leaders of the Opposition before the elections on October 27 for the Grand National Assembly would be the most effective means of assuring widespread acceptance of election results. While I have as yet perceived no signs of an effort on the part of the Bulgarian Government since your return to Sofia to put the Moscow Agreement into effect before the elections, I still hope that such efforts will be made.

I have decided to follow up our conversation in Paris with this letter because of my sincere desire to do everything possible myself to assure in the case of Bulgaria fulfillment of the hopes that were entertained and expressed by President Roosevelt, Marshal Stalin, and Prime Minister

Churchill, the representatives of the three great Allies at Yalta. I feel that I should also tell you that I have instructed General Robertson to request of the Acting President of the Allied Control Commission that all party leaders in Bulgaria be heard by the Commission on the subject of the forthcoming elections for the Grand National Assembly and general political conditions in the country. General Robertson will request a special meeting of the Allied Control Commission to consider what steps along the following lines might be taken by the Commission further to assure free elections for the Grand National Assembly:

- (1) freedom of press, radio, and assembly for the Opposition;
- (2) non-interference of the militia, either with candidates or voters, except to maintain law and order;
- (3) release of political prisoners, or open formulation of charges against them;
- (4) elimination of any possible threat of post-election retaliation for political reasons.

I am sure you will understand my motives in writing you as frankly as I have and that in this connection you will recall my words on the subject of the difficulty that present-day conditions in your country present to the United States with respect to the resumption and development of friendly relations between our two peoples and Governments.

<sup>1</sup> Kimon Georgiev.

REPLY FROM THE BULGARIAN PRIME MINISTER <sup>1</sup>

I have the honor to acknowledge the receipt of your letter of September 24. I am especially grateful for the solicitude which you have shown in the interest of a solution that would clear the way to the renewal and development of friendly relations between the Governments of the United States and Bulgaria, as well as between the Bulgarian people and the noble people of the United States toward whom we have always entertained deep gratitude and respect.

I am able to make the following explanatory comment on the contents of your letter:

On August 27 in the conversation which we had, I explained to you orally the impediments to the realization in practice of the Moscow Agreement for the enlargement of the Bulgarian Government by the inclusion of two representative leaders of the opposition. I confirm anew that the responsibility does not rest with the Government. As it was then, so is it now. There are no factors in the situation that might combine to the realization of the Moscow Agreement.

Because of this, in its intention to normalize its relations with the opposition, especially after your conversation with President V. Kolaroff, the Government decided to seek a solution in another direction; namely through holding elections for the Grand National Assembly, the date of which has been set for October 27. These elections will permit the entire Bulgarian people, Government and opposition, to send representatives to the Constituent Assembly. The results of these elections will determine the composition of the future government and will indicate the manner of settlement of relations between the Government and the opposition.

The Bulgarian Government, which has enjoyed popular support since September 9, has decided to hold entirely free elections, which are to reflect the true will of the people. With regard to this, it has taken dispositions calculated fully to realize the measures which you also recommend in your letter to me. In connection with these

recommendations, I should point out the following:

*One.* Freedom of the press in our country within the limits of existing law is fully assured. At this moment three opposition newspapers appear without hindrance as the organs of three opposition parties, namely newspapers *Narodno Zeme-delsko Zname*, *Svoboden Narod*, and *Zname*. In these newspapers expression is freely given to opposition views and to fairly exacting criticism of the Government.

The Government has given its agreement that all political parties, including the opposition, may expound their election platforms over the state radio.

As concerns the right of assembly of the opposition, they have never been forbidden to gather or assemble, and such meetings are held throughout the country. In this period of the electoral campaigns these meetings are primarily private, but in several localities public gatherings have already been held, and the possibility of holding such gatherings elsewhere is assured.

*Two.* All basic laws, and especially the electoral law, forbid the militia in our country interfering or exerting influence in the choice of candidates for popular representatives, or in the exercise of the electoral rights of Bulgarian citizens. In addition, the Government has made clear through its most authorized representatives to all officials of the militia and the administration and to the whole country that the militia will have only one obligation before and during elections; namely, to assure order and freedom for every citizen to vote as he chooses.

*Three.* In good time the Government, immediately after the proclamation of the Peoples Republic, with a view to creating the indispensable psychological conditions for free exercise of the electoral right of Bulgarian citizens, liberated all

<sup>1</sup>Translated from the Bulgarian.

persons detained on political grounds and against whom there was no basis for formulation of charges of infringement of existing laws. Simultaneously about 1,700 persons who had been condemned by the Peoples Courts for Fascist activities up to September 9, 1944 were released from prison, and sentences of all remaining ones were considerably reduced. I informed you of the achievements in this direction in my letter of September 21.

At present 737 persons in all are interned in the labor-educational institutions of the entire country. Of these only 6 percent, around 45 persons, are adherents of opposition parties, Agrarians (Petkov), Socialists (Lulchev), Democrats (Mushanov), Anarchists (Girginov).

Their detention is not political abuse but is due to the accusations formulated against them for infringement of the administration laws as well as regulations in connection with the conditions for applying the armistice agreement. The remaining 94 are persons with Fascist tendencies, morally depraved persons, and idlers detained on basic existing laws.

*Four.* All of the measures mentioned up to this point which the Bulgarian Government undertook to assure order and freedom in the forthcoming elections, as well as all further measures that will be undertaken in this same direction, such as the creation of electoral control and supervisory committees with the participation of the opposition parties, to which the opposition has already consented, will constitute sufficient guarantee for the removal of any menace whatever of post-election reprisals on political grounds.

Proof of this sufficiency of guarantee is also the fact that the opposition parties have registered lists of candidates throughout the country. Official data show that parties of Fatherland Front have posted 99 lists, united opposition parties, Agrarians and Socialists, 18 lists, Democrats 35 lists. Besides another eight lists have been posted by other opposition groups, which facts lead to

<sup>1</sup> Major General Robertson is American representative on the Allied Control Council. Colonel General Biryusov is Soviet representative and acting chairman of the Council.

the conclusion that political conditions are favorable for a free electoral contest.

In advising you of the above I thank you once again, Your Excellency, for the frankness with which you bring up and discuss questions that interest and concern me as well, and I take this opportunity to assure you with the same frankness that I and the Bulgarian Government will do everything necessary so that the Bulgarian people may freely express their will on October 27.

#### **LETTER FROM MAJOR GENERAL ROBERTSON TO COLONEL GENERAL BIRYUSOV<sup>1</sup>**

I have been directed by the United States Secretary of State, James F. Byrnes, to request a special meeting of the Allied Control Commission to consider what steps along the following lines might be taken by the Commission further to assure free elections for the Bulgarian Grand National Assembly on October 27: (1) Freedom of the press, radio and assembly for the opposition; (2) non-interference of the militia either with candidates or voters except to maintain law and order; (3) release of political prisoners or open formulation of charges against them; (4) elimination of any possible threat of post election retaliation for political reasons. I am also instructed to request that all political leaders in Bulgaria be heard by the Commission on the subject of the forthcoming elections.

In view of the importance of the subject and the urgency of early action, I request that the regular plenary session of the Commission scheduled for October 3 be converted into a special session with yourself presiding. I have conferred with General Oxley who is agreeable to the postponement of the agenda for that meeting to some later date. I have been requested by Mr. Byrnes to keep him informed telegraphically of developments. Under these circumstances, I feel that I must inform him at once as to whether you are agreeable to convoking a special meeting on October 3 in place of the regularly scheduled plenary meeting.

**REPLY FROM COLONEL GENERAL BIRYUSOV**

I am very much surprised at your request of calling a special meeting of the Allied Control Commission for discussing the measures which should be taken, according to your opinion, by the Commission for the guarantee of free elections to the Grand National Assembly scheduled for October 27, 1946.

It should be known to you that the guarantee of free elections is the prerogative of the Bulgarian Government which in that respect has done everything necessary, which is attested in particular by the decision of opposition parties, published on September 14 and 19, who boycotted elections of November 18 last year, in regards to participation in the election to the Grand National Assembly.

Therefore, the discussion of questions raised by you in the Commission and even more, the taking of any kind of measures by the Commission

would be in violation of these prerogatives and a rude interference in the internal affairs of Bulgaria. On the other hand, the Commission cannot consider these questions, as they do not come under its jurisdiction, as determined by the Armistice Agreement with Bulgaria.

**REPLY FROM MAJOR GENERAL ROBERTSON**

I have just received your letter No. 3316, October 4, 1946, in reply to mine (No. A-834, October 1, 1946) requesting a special meeting of the Allied Control Commission to consider means of assuring free elections for the Grand National Assembly on October 27. I cannot agree with any of the conclusions arrived at in your letter. I am therefore telegraphing the contents of your letter to Mr. Byrnes with the request that he take such steps in the circumstances as he may consider necessary.

**U.S. and Italy Express Mutual Peace Aims****EXCHANGE OF TELEGRAMS BETWEEN THE SECRETARY OF STATE  
AND ITALIAN FOREIGN MINISTER**

[Released to the press October 23]

*October 19, 1946.*

The Honorable JAMES F. BYRNES,  
*Secretary of State, Washington.*

In taking over the direction of the foreign policy of my country, I am happy to confirm to you the wish which I expressed when I met you at Paris, to work to make always more cordial the relations between Italy and the United States of America. Italy has need of America, and offers to America her contribution to the reorganization of peace on the basis of international collaboration. I hope to have the opportunity to discuss and settle with you the problems inherent in the economic life of my country. I beg you to accept my respectful greeting.

NENNI

*October 22, 1946.*

His Excellency PIETRO NENNI,  
*Minister for Foreign Affairs, Rome.*

In acknowledging receipt of your cordial telegram on the occasion of your assumption of your new honor and responsibility as Foreign Minister, I desire to take this opportunity to renew my expressions of friendship for the Italian people. Italy has already proved that years of oppression could not stifle the free democratic spirit of her people. This spirit, I am confident, will enable them to overcome the difficulties arising from the war and to work with all free peoples for a lasting peace. In this endeavor, they can count on the full support of the American people and I shall be happy to work with you to strengthen ever more firmly the close ties which bind our two countries.

JAMES F. BYRNES

## Clarification of American Policy on Palestine

[Released to the press October 25]

*Text of notes exchanged between Secretary of State Byrnes and the American member of the executive committee of the Jewish Agency for Palestine*

*October 23, 1946.*

MY DEAR MR. BYRNES:

It is my understanding that the statement made by the President on October 4 has been extremely helpful in clarifying the position of the United States with regard to certain problems relating to Palestine. Unfortunately, however, there have been persistent rumors, some of which have appeared in the press, to the effect that the President's statement is not to be considered as policy of the American Government and that, in fact, the State Department is not giving full support to the policy which the President's statement would seem to reflect.

I would deeply appreciate it if you would be good enough to let me know whether or not these rumors have any foundation in fact.

Sincerely yours,

STEPHEN S. WISE

*October 24, 1946.*

MY DEAR DR. WISE:

I have received your letter of October 23, in which you were good enough to mention the helpfulness of the President's recent statement on the subject of Palestine and the displaced persons in Europe. In your letter you also referred to certain rumors which allege that there is a difference of opinion between the President and the Department of State on these matters, and you asked for clarification.

I am happy to assure you that the rumors to which you refer have no basis in fact. The statement made by the President on October 4<sup>1</sup> with regard to Palestine and to Jewish immigration into Palestine is, of course, an expression of the

<sup>1</sup> BULLETIN of Oct. 13, 1946, p. 669.

policy of this Government. With this policy I am in hearty accord.

The importance which this Government attaches to the matter and the deep personal concern of the President over the situation in Palestine and over the condition of the displaced persons in Europe—a concern which I share—is shown by the fact that on this occasion, as on several prior occasions, the President himself has expressed the views of this Government. The Department of State and the Foreign Service are endeavoring loyally and wholeheartedly to do their part in the implementation of these policies with regard to Palestine and associated problems. They will continue so to do.

Sincerely yours,

JAMES F. BYRNES

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### Maritime Council—Continued from page 817

in the exchange of goods between nations to the end that the peoples of the world may have more to eat, more to wear, and better homes in which to live.

We do not contend that a higher standard of living throughout the world will of itself be any guaranty of the preservation of peace, but we do insist that it will serve to create a climate conducive to the preservation of peace.

I hope it is not too much to say that we confidently expect that the shipping interests of the world, for the most part, will support actively our proposals to expand world trade and employment as an important element in the building and maintenance of permanent peace.

Part "B" of the United Maritime Executive Board's recommendation pursuant to which the United Maritime Consultative Council was established, provides that "A chairman for each meeting should be designated by the government of the nation where such meeting is to be held."

## Report on the Mission on Japanese Combines

The Zaibatsu system of Japan—a system of industrial combines controlling vast wealth and economic power—bears a heavy responsibility for the war and could be an important tool for rebuilding Japan's war potential. This is the finding of the Report of the Mission on Japanese Combines, which was released on October 27 by the Department of State and the War Department.<sup>1</sup>

The report sets forth that the power of the Zaibatsu over the economy of Japan is unparalleled in any other capitalistic industrialized country. The paid-up capital of 17 Zaibatsu combines amounted in 1944 to almost a fourth of the total paid-up capital of all Japanese joint stock companies. In single industries, this strength was even more significant. Fifteen Zaibatsu combines produced 51 percent of the coal output of Japan, 69 percent of the aluminum, 50 percent of the paper and pulp, 20 percent of the rayon, 88 percent of the steam engines, 69 percent of the steam locomotives, 50 percent of the airplanes, 88 percent of the soda, 43 percent of the ammonia sulphate, 33 percent of the silk, 49 percent of the synthetic dyes, and almost 30 percent of the explosives. Zaibatsu banks accounted for 57 percent of the assets and 71 percent of the loans and advances of all ordinary banks. Of all the savings bank assets, 99 percent were to be found in Zaibatsu savings banks. Of all the trust company assets, 69 percent were controlled by the Zaibatsu. They own 74 percent of the total assets of fire-insurance companies and 38 percent of all the life-insurance company assets.

The report was prepared by a special mission of experts who early this year were sent to Japan jointly by the Department of State and the War Department. The Mission was headed by Corwin D. Edwards, consultant on cartels, Department of State. Mr. Edwards is also professor of economics at Northwestern University.

Recommendations made by the Mission are being taken into account in formulating a United States program for the deconcentration of Japanese inter-corporate business structure. This program

will be presented to the Far Eastern Commission for its consideration. Upon final determination of the program by the Far Eastern Commission, policy directives will be issued to the Supreme Commander of the Allied Powers for implementation. The Supreme Commander, however, has already taken steps toward Zaibatsu dissolution in accordance with the United States policy of encouraging a wide distribution of wealth and income.

The Mission's task, according to the report, "greatly facilitated by the help of officials in SCAP", was to study Japanese industrial relationships and to make recommendations as to "standards, policies and procedures for carrying out the basic objective of destroying the power of the great Japanese combines".

To get the necessary facts the Mission looked deeply into every aspect of the Zaibatsu. It studied the Zaibatsu system as a general institution and probed into specific case histories of important individual Zaibatsu organizations. The Mission also investigated the methods of the Japanese combines in extending their control, through social institutions and government assistance, over the entire economy of Japan. It studied the means by which the Japanese Government's war program enhanced this control. The report shows how these giant monopolies, by pursuing their own interests, were linked with the Japanese program of aggression and war.

Various measures assisting in breaking Zaibatsu control but not aimed primarily at dissolution—such as demilitarization, reparations, and taxation—were examined by the Mission and found to be insufficient. The Mission concluded that the Zaibatsu owners of industry would have to be divested of their ownership and control. Accordingly, the Mission surveyed various possibilities of new ownership for Zaibatsu holdings in order

<sup>1</sup> Department of State publication 2628.

to provide factual background essential to formulate such measures.

The report said of Japan's economy as it was before occupation:

"Instead of the diffused business initiative which gives rise to a middle class, Japan's industry has been largely under the control of a few great combines, the greatest of which began their rise to power in feudal times and all of which have enjoyed preferential treatment from the Japanese Government. This type of industrial organization tends to hold down wages, to block the development of labor unions, to destroy the basis for democratic independence in politics, and thus to prevent the rise of interests which could be used as counterweights to the military designs of small groups of ambitious men. . . . the concentration of Japanese wealth and economic power must carry a substantial share of the responsibility for Japanese aggression.

"It is in this sense that the Zaibatsu—that is, the money clique—are to be regarded as among the groups principally responsible for the war and as a principal factor in the Japanese war potential."

The report pointed to the absence in Japanese society of any movement "strong enough to produce a Sherman Act, a Commissioner of Corporations, a Money Trust Investigation, a Federal Trade Commission, or a Securities and Exchange Commission such as developed in the United States . . ."

The report declared that "the partnership between business and government in Japan is evident throughout the fabric of Japanese law; it is reflected in the complex system of subsidies, monopolies, discriminatory taxes, and other devices favoring business. It is evident also in the manner in which Japanese law relating to business is enforced".

Monopolistic and entrenched wealth was protected by the law, the report added: "A study of the different tax laws leads one to the conclusion that in their drafting considerable care has been used to insure against their bearing too heavily upon the corporation and individuals of greatest means."

## Treaty of General Relations With the Republic of the Philippines

[Released to the press October 23]

The treaty of general relations between the United States and the Republic of the Philippines, signed at Manila July 4, 1946, was brought into force October 22, 1946 (at 4:10 p. m., Manila time; 3:10 a. m., Washington time) by the exchange of ratifications of the treaty and accompanying protocol. The exchange of ratifications was effected at Manila by Paul V. McNutt, American Ambassador to the Republic of the Philippines, and Manuel Roxas, President of the Republic of the Philippines.

Following is the text of the treaty and accompanying protocol:

### Treaty of General Relations Between the United States of America and the Republic of the Philippines

The United States of America and the Republic of the Philippines, being animated by the desire to cement the relations of close and long friendship existing between the two countries, and to provide for the recognition of the independence of the Republic of the Philippines as of July 4, 1946 and the relinquishment of American sovereignty over the Philippine Islands, have agreed upon the following articles:

#### Article I

The United States of America agrees to withdraw and surrender, and does hereby withdraw and surrender, all right of possession, supervision, jurisdiction, control or sovereignty existing and exercised by the United States of America in and over the territory and the people of the Philippine Islands, except the use of such bases, necessary appurtenances to such bases, and the rights incident thereto, as the United States of America, by agreement with the Republic of the Philippines, may deem necessary to retain for the mutual protection of the United States of America and of the Republic of the Philippines. The United States of America further agrees to recognize, and does hereby recognize, the independence of the Republic of the Philippines as a separate self-governing nation and to acknowledge, and does hereby acknowledge, the authority and control over the same of the Government instituted by the people thereof, under the Constitution of the Republic of the Philippines.

*Article II*

The diplomatic representatives of each country shall enjoy in the territories of the other the privileges and immunities derived from generally recognized international law and usage. The consular representatives of each country, duly provided with *exequatur*, will be permitted to reside in the territories of the other in the places wherein consular representatives are by local laws permitted to reside; they shall enjoy the honorary privileges and the immunities accorded to such officers by general international usage; and they shall not be treated in a manner less favorable than similar officers of any other foreign country.

*Article III*

Pending the final establishment of the requisite Philippine Foreign Service establishments abroad, the United States of America and the Republic of the Philippines agree that at the request of the Republic of the Philippines the United States of America will endeavor, in so far as it may be practicable, to represent through its Foreign Service the interests of the Republic of the Philippines in countries where there is no Philippine representation. The two countries further agree that any such arrangements are to be subject to termination when in the judgment of either country such arrangements are no longer necessary.

*Article IV*

The Republic of the Philippines agrees to assume, and does hereby assume, all the debts and liabilities of the Philippine Islands, its provinces, cities, municipalities and instrumentalities, which shall be valid and subsisting on the date hereof. The Republic of the Philippines will make adequate provision for the necessary funds for the payment of interest on and principal of bonds issued prior to May 1, 1934 under authority of an Act of Congress of the United States of America by the Philippine Islands, or any province, city or municipality therein, and such obligations shall be a first lien on the taxes collected in the Philippines.

*Article V*

The United States of America and the Republic of the Philippines agree that all cases at law concerning the Government and people of the Philippines which, in accordance with Section 7 (6) of the Independence Act of 1934, are pending before the Supreme Court of the United States of America at the date of the granting of the independence of the Republic of the Philippines shall continue to be subject to the review of the Supreme Court of the United States of America for such period of time after independence as may be necessary to effectuate the disposition of the cases at hand. The contracting parties also agree that following the disposition of such cases the Supreme Court of the United States of America will

cease to have the right of review of cases originating in the Philippine Islands.

*Article VI*

In so far as they are not covered by existing legislation, all claims of the Government of the United States of America or its nationals against the Government of the Republic of the Philippines and all claims of the Government of the Republic of the Philippines and its nationals against the Government of the United States of America shall be promptly adjusted and settled. The property rights of the United States of America and the Republic of the Philippines shall be promptly adjusted and settled by mutual agreement, and all existing property rights of citizens and corporations of the United States of America in the Republic of the Philippines and of citizens and corporations of the Republic of the Philippines in the United States of America shall be acknowledged, respected and safeguarded to the same extent as property rights of citizens and corporations of the Republic of the Philippines and of the United States of America respectively. Both Governments shall designate representatives who may in concert agree on measures best calculated to effect a satisfactory and expeditious disposal of such claims as may not be covered by existing legislation.

*Article VII*

The Republic of the Philippines agrees to assume all continuing obligations assumed by the United States of America under the Treaty of Peace between the United States of America and Spain concluded at Paris on the 10th day of December, 1898, by which the Philippine Islands were ceded to the United States of America, and under the Treaty between the United States of America and Spain concluded at Washington on the 7th day of November, 1900.

*Article VIII*

This Treaty shall enter into force on the exchange of instruments of ratification.

This Treaty shall be submitted for ratification in accordance with the constitutional procedures of the United States of America and of the Republic of the Philippines; and instruments of ratification shall be exchanged and deposited at Manila.

Signed at Manila this fourth day of July, one thousand nine hundred forty-six.

FOR THE GOVERNMENT OF THE UNITED STATES  
OF AMERICA:

[SEAL]

PAUL V. McNUTT

FOR THE GOVERNMENT OF THE REPUBLIC OF  
THE PHILIPPINES:

[SEAL]

MANUEL ROXAS

**Protocol to Accompany the Treaty of General Relations Between the United States of America and the Republic of the Philippines, Signed at Manila on the Fourth Day of July 1946**

It is understood and agreed by the High Contracting Parties that this Treaty is for the purpose of recognizing the independence of the Republic of the Philippines and for the maintenance of close and harmonious relations between the two Governments.

It is understood and agreed that this Treaty does not attempt to regulate the details of arrangements between the two Governments for their mutual defense; for the establishment, termination or regulation of the rights and duties of the two countries, each with respect to the other, in the settlement of claims, as to the ownership or control of real or personal property, or as to the carrying out of provisions of law of either country; or for the settlement of rights or claims of citizens or corporations of either country with respect to or against the other.

It is understood and agreed that the conclusion and entrance into force of this Treaty is not exclusive of further treaties and executive agreements providing for the specific regulation of matters broadly covered herein.

It is understood and agreed that pending final ratification of this Treaty, the provisions of Articles II and III shall be observed by executive agreement.

Signed at Manila this fourth day of July, one thousand nine hundred forty-six.

FOR THE GOVERNMENT OF THE UNITED STATES  
OF AMERICA:

[SEAL] PAUL V. McNUTT

FOR THE GOVERNMENT OF THE REPUBLIC OF  
THE PHILIPPINES:

[SEAL] MANUEL ROXAS

**Establishment of the Philippine Alien Property Administration**

The President on October 14, 1946, by Executive Order 9789,<sup>1</sup> established in the Office for Emergency Management of the Executive Office of the President the Philippine Alien Property Administration. According to the Executive order, a Philippine Alien Property Administrator shall be appointed by the President, and shall be vested with all custodial authority, rights, privileges, powers, duties, and functions with respect to property located in the Philippines. All property in the Philippines transferred to the Alien Property Custodian (and later transferred to the Attorney General of the United States under Executive Order 9788<sup>1</sup> of October 15, 1946 terminating the Office of

<sup>1</sup> 11 *Federal Register* 11981.

<sup>2</sup> Executive Agreement Series 232.

Alien Property Custodian and transferring its functions to the Attorney General) shall be vested in the Philippine Alien Property Administrator. The Secretary of State shall be consulted (except as otherwise agreed to) before the vesting of any property or interest pursuant to this Executive order.

**Defense of Iceland Agreement Terminated**

[Released to the press October 25]

The transfer to the Government of Iceland of the airport at Keflavik, constructed by the United States during the war, was observed in appropriate ceremonies at the airport on October 25. The return of the Keflavik airport to Iceland was provided in the United States-Icelandic agreement concluded on October 7, 1946, which also terminated the defense of Iceland agreement of July 1, 1941.<sup>2</sup>

American Army personnel, under the agreement, are being progressively withdrawn during the 180-day withdrawal period, which began October 7, 1946, stipulated in the agreement.

All naval personnel, except a small group acting as caretakers for Navy property until disposed of, have been withdrawn.

**Entrance Visas for Estonians**

**STATEMENT BY THE PRESIDENT**

[Released to the press by the White House October 24]

I have felt considerable personal concern over the 48 Estonians who recently displayed such courage and determination in crossing the Atlantic to our shores in two small open boats. This is the type of pioneering spirit that built this nation.

This morning the Attorney General stayed the order requiring these people to leave the United States. This order had been issued by local officials in conformity with existing immigration regulations when it was discovered that these people had not obtained entrance visas because of over-subscription of the immigration quota for Estonians.

I have directed that all avenues be explored toward enabling this group to remain here, if they so desire, so that they may eventually become citizens of this country. The Department of State is now working on these details.

## Rank of Embassy for Missions in New Delhi and Washington

[Released to the press October 23]

The Governments of the United States and India have agreed to an exchange of Ambassadors and to the raising of their respective missions in New Delhi and Washington to the rank of embassies.

In order to establish closer and more direct contacts between India and the United States, the Government of India in 1941 designated an Agent General to represent it in Washington, and the United States Government appointed an American Commissioner to New Delhi. The mutually beneficial relations resulting from this exchange are attested by the present agreement to elevate the two missions to the status of embassies.

George R. Merrell, at present American Commissioner to India with the personal rank of Minister, will act as Chargé d'Affaires ad interim of the American Embassy with the personal rank of Minister pending the designation and arrival in India of an American Ambassador.

## Termination of Tripartite Rubber Agreement

[Released to the press October 16]

The American Embassy in Argentina has advised the Department of State that notes have been exchanged with the Government of Argentina terminating the Tripartite U. S.-Brazil-Argentina Rubber Agreement.

The United States and Brazil exchanged notes canceling the agreement, effective August 29,<sup>1</sup> the reason being that changed conditions following the end of hostilities have removed the need for it.

The Tripartite Rubber Agreement was concluded May 2, 1945 by representatives of the Governments of Argentina, Brazil, and the United States. It established procedures to integrate Argentina into the existing inter-American system covering the supply of rubber and rubber products. The purpose of the arrangement was to conserve the maximum quantities of natural rubber for the prosecution of the war.

## Tax Convention Signed With France

[Released to the press October 22]

A convention between the United States and France for the avoidance of double taxation and the prevention of fiscal evasion in the case of taxes on estates and inheritances and for the purpose of modifying and supplementing certain provisions of the convention of July 25, 1939 relating to income taxation was signed at Paris on October 18, 1946 by Jefferson Caffery, American Ambassador to France, and Georges Bidault as Minister of Foreign Affairs of France.

The convention provides that it shall be ratified and the ratifications exchanged. The provisions applicable to taxes on estates and inheritances will enter into force on the day of the exchange of instruments of ratification and will apply solely to estates or inheritances in the case of persons who die on or after that date. The provisions applicable to taxes on income will, except as otherwise provided, enter into force on the first day of January following the exchange of instruments of ratification.

The new convention was drafted in *ad referendum* negotiations which took place in Washington during March and April with a delegation which came from France for that purpose.<sup>2</sup>

Earlier agreements between the United States and France for the avoidance of double taxation include an arrangement for relief from double income tax on shipping profits, effected by exchange of notes signed at Washington on June 11 and July 8, 1927;<sup>3</sup> a convention and protocol concerning double taxation, signed at Paris on April 27, 1932;<sup>4</sup> and the convention for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance in the case of income and other taxes, and accompanying protocol, signed at Paris on July 25, 1939.<sup>5</sup>

<sup>1</sup> BULLETIN of Sept. 15, 1946, p. 514.

<sup>2</sup> BULLETIN of Mar. 17, 1946, p. 451, and July 7, 1946, p. 40.

<sup>3</sup> Executive Agreement Series 12.

<sup>4</sup> Treaty Series 885.

<sup>5</sup> Treaty Series 988.

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## Contributors

*Harry N. Howard* who edited the treaties and agreements pertaining to the Turkish Straits is Chief of the Near Eastern Branch of the Division of Research for Near East and Africa, Office of Near Eastern and African Affairs, Department of State.

*James Gilbert Evans*, author of "American Wool Import Policy", is Chief, Fibers Section, Division of International Resources, Office of International Trade Policy, Department of State.

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*November 10, 1946*

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*The Department of State* bulletin

VOL. XV, No. 384 : PUBLICATION 2686

November 10, 1946

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, 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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Published with the approval of the  
Director of the Bureau of the Budget

## INTERNATIONAL INDUSTRIAL CONTROL OF QUININE

by Walter M. Rudolph

*As the United States and other nations re-examine international economic institutions and seek to reduce restrictions on international trade, quinine assumes an additional importance as a case study of the pre-war patterns of international industrial control. The purpose of this article is to examine historically the pertinent facts relative to the achievement of control over the production of cinchona bark and the marketing of quinine and to suggest, on the basis of those facts, possible policy measures which might be considered in the development of a program designed to assure for the United States in the future a continuing flow of necessary supplies of quinine compounds.*

In the United States quinine is essential in peace and strategic in war. The bottle or the package of quinine in one form or another has been a familiar and indispensable object in the medicine cabinet of thousands of American homes. The drug has been widely used to combat the common cold and a variety of respiratory ailments. The importance of quinine in the treatment of malaria and similar diseases is well known. Quinidine, it is said, has no substitute in the treatment of certain heart diseases. Quinine compounds are said to have been indispensable in the polarization of lenses.

In the war years quinine was of vital importance to American armed forces in use against tropical and other diseases. Indeed, it took the events of World War II to dramatize fully the value of this

important drug to American health and national security. This new awareness was occasioned by the exposure of large numbers of American troops to malaria-infested areas and by enemy occupation of territories upon which the United States had previously been dependent for its normal source of quinine supplies.

The quinine trade, expressed in dollars, is not of startling significance. In 1937 and 1939 annual United States imports of quinine compounds amounted to only a little more than \$1,000,000, while imports of cinchona bark, from which quinine is derived, were valued at about \$800,000 in each of the two years. The importance of quinine to the United States does not lie in the dollar value of the nation's trade in this commodity. Its importance is due to its medicinal utility and to this country's dependence for supplies upon foreign sources.

## **American Supplies from Java**

Although indigenous to South and Central America, the cinchona tree has had its most intensive cultivation in the Netherlands East Indies. Seeds were imported from the Americas into Java shortly after the middle of the last century. By 1890 the superiority of Javanese cinchona bark had been clearly demonstrated, and since that time over 90 percent of the world's supply has been drawn from that source. The superiority of Javanese bark rests upon its high alkaloid content compared with that cultivated in South or Central America. Quinine content of Java bark frequently runs as high as 7 to 13 percent. Most wild South and Central American bark contains no more than 1 or 2 percent quinine. However, cultivation of cinchona trees planted from seeds brought during the war from Java via the Philippines is likely to increase the quinine content of American cinchona bark.

## **U. S. Government Interest in Quinine Supplies**

This Government's concern with quinine naturally centers upon a program designed to secure adequate supplies. As the United States and other nations re-examine international economic institutions and seek to reduce restrictions on international trade, quinine assumes an additional importance as a case study of the pre-war patterns of international industrial control. A program for obtaining adequate quinine supplies should include measures to free the quinine trade from the pre-war obstacles which restricted its production and distribution. The key to the industrial control of quinine rests in domination over the cinchona-tree plantations which produce the raw material necessary for quinine manufacture. Control of the industry has been achieved with relative ease, since the plantations are confined to a small geographic area.

## **II**

### **Competition and Combined Control**

Prior to 1892 cinchona bark had been sold in Java at auctions held twice a year. The first attempt to control the quinine market was launched in that year when European manufacturers organized a syndicate to buy the raw materials and sell quinine and other alkaloid deriva-

tives of cinchona bark. With consolidation of the major purchasing elements into a single buyer, auction bark prices declined drastically.

Two years later the Bandoengsche Kininefabriek was organized in Java to manufacture quinine sulphate. This company operated for almost 20 years in competition with European factories. The local factory, chiefly through development of the American market where requirements seemed large and stable, was able to guarantee native planters higher prices than the European manufacturers. It was able to sell finished products in many markets at lower prices than the Europeans, largely because of savings in raw material transportation costs. For more than a decade this organization flourished and its price policies stimulated planting activities. However, the resulting increase in bark offerings combined with the sharp drop in American demand for finished products following the panic of 1907 left the Bandoeng factory with an oversupply of bark. As a result, the factory was forced for a considerable period to decline all offers of bark not already contracted for. The withdrawal of the Bandoeng factory from the buying market resulted in greatly depressed prices for bark throughout the period 1908-1912. This experience led the planters to conclude that it would be desirable from their standpoint to stabilize the bark market.

Just prior to World War I, the major elements of the quinine trade entered into a combination to reduce competition in the production of cinchona bark and in the marketing of quinine in order to stabilize trade and prices. Negotiations were carried on from 1911 to 1913 between the Bandoeng and European manufacturers on the one hand and the Java planters on the other. The planters wanted a guaranteed market for their bark and to this end were actively planning erection of new factories in Java. The manufacturers opposed the erection of new plants and sought assurances that bark which they failed to purchase would not be thrown on the market for sale to other prospective purchasers.

### **Forming of Cartel**

An accord was reached in 1913. Its provisions were designed to promote and protect the mutual interest of the parties. The manufacturers agreed

to buy certain minimum supplies each year at fixed minimum prices. The East Indian Government was authorized to erect a factory in Java to supply itself and the native population with a fixed maximum annual production. The Kina Bureau was established to police the agreement, settle controversies between planters and manufacturers, obtain statistical data, set standards and inspect bark for quality, and establish individual bark-delivery quotas among the various planters. The Bureau was composed of representatives of planters and manufacturers in equal numbers, with an impartial chairman. Manufacturers from the Netherlands, England, France, Germany, and Java were represented. The accord was to run for five years.

Because of the inability of the French, British, and German manufacturers to participate in negotiations during the war, the factories in the Netherlands and Bandoeng undertook negotiations with the planters when the first accord expired in 1918. Since that time, the Netherlands and Netherlands Indies factories have been the exclusive representatives of manufacturers in periodic agreements with the planters. The second accord was concluded in 1918, a third was concluded in 1923, and a fourth in 1928. The latter agreement ran for a ten-year period.

#### **Cartel Controls**

Since the third and fourth conventions contained only minor revisions of detail, an examination of the second convention concluded in 1918 will serve to reveal the pattern of industrial control in world quinine markets.<sup>1</sup> This convention provided for control over prices of raw materials and manufactured derivatives, and for allocation and control over sales of bark. It also provided for determination of technical standards, adjudication and settlement of disputes by the Kina Bureau, and collection of technical and statistical data.

Prices were controlled through delegating to the Bureau the function of setting the price of quinine sulphate, presumably on the basis of market conditions. A minimum price for bark was set, and fluctuations of bark prices over the minimum were provided for in a fixed ratio to prices of quinine sulphate.

Distribution of bark was controlled through requiring planters to ship to Amsterdam quotas of bark determined by the Bureau. Available bark in excess of these quotas could not be sold for "pharmaceutical" purposes. The effect of this provision was to require manufacturers all over the world, whether or not parties to the accord, to buy Java bark in Amsterdam from the Bureau. The Bandoeng factory was protected, however, through a requirement that pharmaceutical bark could be sold in Java provided its use was confined to the Netherlands East Indies and provided that all such sales had the approval of the Bureau.

Manufacturers were required to buy through the Bureau certain established annual minimum quotas. They submitted bids to the Bureau for and in excess of their quota, and the Bureau determined the amount each manufacturer received. The Bureau also set the quota to be delivered by each planter.

### **III**

#### **Effect of the Cartel Control on American Manufacturers**

Because of the control outlined above over the essential raw material for the manufacturers of cinchona-bark alkaloid derivatives, enterprisers in the United States have been reluctant to enter the field. Prior to World War II only two American firms had been engaged in the manufacture in this country of quinine and other cinchona derivatives. During the war, a third firm processed some bark.

There is no indication that the American manufacturers were ever parties to the international quinine marketing agreements. They were, nevertheless, as indicated above, subject to the control of the Kina Bureau through that agency's determination of the amount of cinchona bark and derivative products they were permitted to have. More than that, the position of American manufacturers has been further complicated by the operation of the Netherlands manufacturers' selling agency in New York, which, paradoxically, makes

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<sup>1</sup> For the full text of the quinine convention of 1918, see U.S. Department of Commerce, Bureau of Foreign and Domestic Commerce, *Trade Information Bulletin* no. 273, October 1924, "Quinine Production and Marketing" by Samuel H. Cross, pp. 29 ff.

the American manufacturers dependent on their principal competitor for their source of raw material. They have been subject to the threat of reduced raw-material supplies when attempting unilaterally to sell below the prices established by the Netherlands manufacturers' New York selling agency. Moreover, on occasion the latter agency has given large United States consumers substantial discounts below their established price. Since United States manufacturers depended upon the Kina Bureau for their supplies, they could meet this type of competition only if they were willing to take the chance of losing their source of raw materials.

### **Grand Jury Investigation**

The effects of these and other practices led in 1928 to a Federal Grand Jury investigation of the quinine market. The files of the American manufacturers were subpoenaed. The grand jury brought an indictment charging a combination among European manufacturers depriving the American markets of the benefits of competition, price fixing in the United States, price raising in the United States, restriction of production, discriminatory pricing among United States consumers of quinine, and attempts to coerce American manufacturers into becoming parties to restrictive agreements. There was further evidence that the Kina Bureau and its New York selling agency enforced a unilaterally determined market-sharing arrangement in the United States. They fixed the quota of bark to be shipped to American manufacturers and deducted from that quota the bark equivalent of any quinine sold by American manufacturers to consumers which the Kina Bureau had allocated to other manufacturers. Moreover, there were indications that the monopoly control of quinine was used to force consumers to purchase other pharmaceuticals from the same source.

Although the Government claimed legal jurisdiction over the cartel in view of its effect upon the American market, it was clear that practical jurisdiction was unobtainable since the principal defendants remained outside the United States. Hence, in an attempt to induce the defendants to accept United States jurisdiction the criminal indictment was replaced by a civil complaint. Later,

a consent decree was negotiated with the principal defendants. Through the mechanism of the consent decree, entered in September 1928, the court perpetually enjoined the defendants from fixing retail prices in the United States, limiting the shipment or sale into or within the United States of cinchona bark or quinine derivatives, dividing profits or territory within the United States, discriminating in price among purchasers within the United States, or maintaining in force any contracts which would deny purchasers the right to deal in the products sold by a competitor.

The legal and practical difficulties of enforcing the decree, however, are dramatized in the last provision which reads: "*Provided, however, that nothing herein contained shall be construed to restrain or prohibit any defendant from doing any act or entering into any agreement which is entirely completed outside the United States and which does not require any act or thing to be done within the United States.*"

### **Wartime Needs**

Throughout the 1930's American quinine manufacturers attempted to obtain permission from the Netherlands manufacturers to carry larger stocks in the United States, but such requests were invariably refused. During the antitrust investigation, in order to provide a method of collecting fines in the event of a criminal conviction the Government had seized stocks in the United States belonging to Netherlands manufacturers. Thereafter, the Netherlands were reluctant to maintain stocks in the United States on their own account. On the other hand, they refused to permit American manufacturers to maintain large stocks, since the existence of such stocks would, of course, have given American manufacturers more leverage in their bargaining for further requirements. American manufacturers attempted to develop a source of supply in Java independent of the European combination, but the Java planters refused to enter into any commercial relations which might antagonize the Netherlands manufacturers.

When the war clouds gathered in the later 1930's, American manufacturers redoubled their efforts to increase cinchona supplies. Up to that time all bark had been shipped to Amsterdam prior to transshipment to the United States. Following the

outbreak of war, after continued negotiations in which the Department of State intervened, this Government and the American manufacturers were able to purchase a few months' supply. Immediately prior to the invasion of the Netherlands, American manufacturers with the support of the Department again attempted to increase supplies in the United States. The Netherlands manufacturers, however, were not influenced in this matter by reports of Nazi plans of aggression, and before any action could be taken the Netherlands had been overrun.

Between the middle of 1940 and the end of 1941, American manufacturers and the Government made repeated efforts to increase substantially the cinchona stockpile in the United States. All such attempts, however, were resisted by the Kina Bureau officials, who had transferred the seat of their activities to Java, and supplies were obtained only after lengthy negotiations. Following the Japanese attack on Pearl Harbor and the conquest of Java, the United States Government was forced to rely on wild Latin American bark. High subsidies were paid and shipments of bark were obtained, but the bark contained low percentages of alkaloid. Inadequate American supplies of quinine were therefore supplemented with atabrine. Had the United States failed to develop this and other substitutes, the South Pacific campaign would have been placed in added jeopardy.

#### **Current Quinine Supplies**

Since the end of the war, Government purchase of wild Latin American bark has been continued, to avoid substantial increases in the prices of the finished product. The political situation in Java has handicapped attempts to obtain bark from that source. At present, United States stocks are very low. Since much of the Latin American bark contains little or no quinidine, availability of bark from Java assumes increasing importance.

### **IV**

#### **Immediate and Long-Range Interests**

The developments briefly traced above suggest that the interests of this Government concerning production of cinchona bark and marketing of quinine are both immediate and long-range in nature. They may be considered immediate in that

current peacetime requirements of quinine must be obtained as quickly as possible. They may be regarded as long-range in that this Government should, in accordance with its policy of national defense, seek to insure that the United States security shall not again be jeopardized by the lack of this important product in the event of a future emergency. Also, this Government should, in accordance with its economic foreign policy, seek to free the competitive forces in the production of cinchona bark and the marketing of the manufactured products and to develop conditions providing equal opportunity and access to the quinine market for nationals of any country.

With stocks in the United States now reaching low levels, it is in the public interest that arrangements be made for the importation as expeditiously as possible of quinine derivatives or of cinchona bark with adequate alkaloid content sufficient as a minimum to satisfy the current needs of the United States market. These requirements, it may be pointed out, have been increased over the pre-war needs by the presence in this country of a large number of veterans who have returned from malaria-infested areas of the South Pacific. The United States Government has already sponsored a purchase program which requires negotiations with foreign sources. The Department of State is accordingly collaborating with appropriate Government procurement agencies and facilitating negotiations with foreign governments in this program.

As to the security aspect of this country's long-range policy, it is anticipated that quinine will be included in the program for accumulating strategic stockpiles within this country adequate to meet the essential military and civilian requirements of the United States in the event supplies are cut off during an emergency. In such event, the pre-war limitations upon the amount of stocks of cinchona bark which the cartel has permitted to be maintained within the United States must be removed if the stockpiling program is to be successful.

In pursuing this country's long-range economic interest, the United States policy should be directed toward seeking intergovernmental cooperation in eliminating the exclusive and monopoly control over Javanese cinchona bark. Since the exclusive purchasing arrangement, described above, among

the Netherlands manufacturing group was the key to the pre-war control over the manufacture and distribution of cinchona alkaloid derivatives, this Government should advance and support the principle that American quinine manufacturers should be permitted to make direct purchases of bark in Java at non-discriminatory prices and in unrestricted quantities for direct shipment to the United States. It should also urge the removal of limitations which have been placed on the level of stocks in the United States permitted American manufacturers. Furthermore, this Government should protect the right of American manufacturers to compete freely for customers without fear of unfair discriminatory practices in this country.

### Relation to World Trade

These objectives might be achieved in either of two ways. The United States and other governments interested in these objectives might develop mutually satisfactory arrangements through a series of bilateral understandings or through a multilateral agreement. To this end, the United States might request interested governments to review the past marketing arrangements in the quinine industry and to cooperate in an effort to eliminate those features of the arrangements which deprive American and other quinine manufacturers of reasonable access to the raw materials necessary to their operations. Another way of achieving these objectives might be through an appeal to the ITO, following its establishment, for a suitable world-wide arrangement.

In its *Proposals for Expansion of World Trade and Employment*, the Department of State has advanced the position that "There should be individual and concerted efforts by members of the [International Trade] Organization to curb those restrictive business practices in international trade . . . which have the effect of frustrating the objectives of the Organization to promote expansion of production and trade, equal access to markets and raw materials, and the maintenance in all countries of high levels of employment and real income." Among the practices which are deemed restrictive in the *Proposals* are those which fix prices, divide markets, limit production or exports,

or exclude enterprises from particular fields. It would appear that the marketing arrangements in the quinine industry have run counter to most or all of these principles and would therefore be subject to inquiry by the International Trade Organization.

In the event that bilateral or multilateral understandings with other governments cannot be reached or that interested governments do not become members of the ITO, Governmental assistance to private business enterprises in the large-scale development of alternative sources of supply may be found advisable. Such assistance might result in the development not only of alternative sources of cinchona but also of synthetic quinine substitutes. To the extent that such assistance might require Government subsidies, it would doubtless be rendered with much reluctance in view of the Department's expressed disapproval of Government subsidies in international trade. However, in justice to itself and other consumer countries, this Government should take all practical measures to avoid complete dependence on the pre-war cartel for United States supplies of cinchona bark and its alkaloid derivatives unless assurances are received that such supplies will be available on a non-discriminatory and non-restrictive basis.

It should be emphasized that the future of synthetic substitutes may seriously affect the whole quinine industry. Research into quinine synthetics is reported already to have yielded extremely fruitful results. For example, wartime development of better methods for the use of atabrine in the suppression and treatment of malaria has demonstrated that atabrine is superior to quinine and that other anti-malarial compounds have been developed which may be even more effective than those heretofore used. Although alkaloids derived from cinchona bark still are important, especially for certain medicinal and industrial purposes, substitutes may displace these alkaloids to a considerable degree in many uses and thus lower the United States requirements for them. The nature and extent of the effect of such an economic shift upon the production and marketing of cinchona bark and its derivative products is not yet known.

## NATIONAL WAR COLLEGE AND DEPARTMENT OF STATE

by Perry N. Jester, F.S.O.

*The creation of the National War College for the joint training of carefully selected officers in the higher ranks of all the armed services and of the Department of State and the American Foreign Service has established a matrix for the shaping of leadership for the years to come by bringing together the ingredients of proved capacity, experience, knowledge, and a vision of tomorrow in the terms of national welfare.*

The two great world wars of this century and the interval of peace or semi-peace between them have dramatically emphasized numerous fundamental requirements for both the victorious waging of war under modern conditions and the hoped-for successful conduct of peace, in a world in which time and space factors have suddenly diminished while all other operational factors have, during the same period, increased enormously in their complexity. Few of these fundamental requirements are more outstanding in their basic importance or in the far-reaching character of their implications than the following:

First, the necessity for extensive and continuous training for all positions of leadership right up to the highest level in both military and political spheres; and

Secondly, the need for greater and more effective

integration of effort and understanding on the part of all the services which operate to protect the national interest both in war and in peace. More simply described, the first requirement is the need for higher competence in command positions in situations of greater complexity, and the second, the need for more effective teamwork between services of varied backgrounds and functions.

These needs were pointed up more sharply than ever before in the second World War by the more extensive use of joint and combined staff work among the several fighting services at various levels of command and, as the war progressed, by the inclusion on some of these staffs of political advisers or political assistants representing the principal political and administrative authority of our Government in the field of foreign affairs, namely, the Department of State.

As now seen in retrospect, the record of our efforts for peace in the years between the two world wars might have been more fruitful if there had been closer working relations and a closer integration of policy between the political forces of our Government and the armed forces. It is now the opportunity of the present to correct the omissions of the past.

Building on the experience of many decades in the operation of the Army War College and the Naval War College and in view of the new emphasis in World War II on joint operations and the need for joint training in the higher echelons of command, the Joint Chiefs of Staff in June 1943 established the Army and Navy Staff College. The purpose was to provide an organizational focus for the simultaneous training and indoctrination of ranking officers of all the armed services. This joint effort in training proved to be highly successful not only as an educational and training activity in itself but also as a contribution to the better integration of staff work and field operations between the several fighting services.

The experiences of the war, and even more the global requirements of our Government in the aftermath of the war, indicated the further desirability and even necessity not only of continuing such joint training on the command levels but of seeking better understanding as well between the various levels of high command in the armed forces and comparable positions of authority and responsibility in the Department of State and the Foreign Service of the United States.

Accordingly, in January 1946 the Joint Chiefs of Staff proposed the establishment of a combined institution for the joint training of carefully selected officers in the higher ranks of all the armed services and of the Department of State and the Foreign Service. On February 1, 1946, the Secretary of State agreed to the joint sponsorship of the new institution by the Department of State together with the War Department and the Navy Department and to the active participation of the organizations under his authority.

Planning went forward rapidly for an early beginning of actual training operations. The in-

terests of the Department and the Foreign Service in these initial negotiations were represented by the Director of the Office of the Foreign Service, Selden Chapin. Outstanding authorities in many fields, leading educators, and representatives of the great universities of the country were consulted in the formulation of the curriculum. The name, "National War College", was adopted, probably as the result of the taking over of the facilities of the old Army War College which had ceased to function as an institution during the war. On June 30, 1946 the Army and Navy Staff College also discontinued its independent status, and its staff, faculty, and functions were taken over by the new National War College, which began its official existence on July 1, 1946.

The announcement of plans for the establishment of a joint training institution for ranking officers of the three Departments and the services under their jurisdiction was widely acclaimed in the press of the nation as a forward step of great significance.

The National War College is admirably located in the buildings and grounds of the old Army War College, which was developed on the site of Fort Humphreys at Greenleaf Point where the Anacostia River and the Washington Channel come together, just a short distance from the junction of the former with the Potomac River. A well-developed library, gymnasium, and other facilities serve the needs of the faculty, staff, and students.

On the same grounds and associated with the National War College in its joint training activities is the Industrial College of the Armed Forces, which, as the name implies, has a more specialized function.

There has thus been created, under the direct authority of the Joint Chiefs of Staff, and with the full participation of the Department of State, a new high-level training institution which constitutes the apex of the training organizations and command schools in the several services, such as the Command and Staff College, Fort Leavenworth, Kansas; the Air University, Maxwell Field, Alabama; the Armed Forces Staff College, Norfolk, Virginia; the Naval War College, Newport,

Rhode Island; and the Foreign Service Institute which was recently authorized by Congress to take over the training functions of the personnel of the American Foreign Service and the Department of State.

The Commandant of the National War College is Vice Admiral Harry W. Hill, U.S.N., former Commandant of the Army and Navy Staff College. Deputy Commandants are Maj. Gen. Alfred M. Gruenther, U.S.A., and Brig. Gen. T. H. Landon, Army Air Forces. George F. Kenman, F.S.O., who was until recently Counselor of the American Embassy at Moscow, is Deputy for Foreign Affairs. The collaboration of the Department of State and the Foreign Service in this joint training venture is under the general supervision of Donald Russell, the Assistant Secretary of State for Administration.

The initial course of the National War College began on September 3, 1946, with a class composed of 30 Army Ground officers, 30 Army Air Force officers, 30 Naval officers, and 10 Foreign Service officers. In addition, there are 90 part-time students of the Industrial College of the Armed Forces. The students are senior officers of the four services who have been carefully selected from among those who have qualifications for high command. The ranks of the Army officers attending are made up of brigadier generals and colonels, the Navy officers have the rank of captain, and the Foreign Service officers are principally of classes II to IV. These ranks represent officers with 15 to 20 years of experience in each of the several services.

The Department of State and the Foreign Service are represented in this first class of officer-trainees by the following Foreign Service officers: William P. Cochran, Jr., John M. Cabot, Raymond A. Hare, Perry N. Jester, Foy D. Kohler, John J. MacDonald, Carmel Offie, Charles W. Thayer, William C. Trimble, and Walter N. Walmsley.

The first semester, from September 3 until December 20, is devoted primarily to politico-military subjects, with special attention to the integration of our foreign policy with our military policy. Detailed study will also be directed to the foreign

policy of the United States in all its regional aspects and to its relation to the foreign policies of other major powers. The impact of the atomic age upon international and military problems will be investigated and discussed. Problems of national defense will be covered with special attention to the United Nations, the aims and objectives of other nations, methods of pressure and adjustment between nations in accordance with international law, customary procedures in the past, and possible procedures in the future. Members of the class will be assigned problems of the type which are being continually handled by the State-War-Navy Coordinating Committee.

The second semester, from January 2 until June 21, will be devoted to problems of military strategy and joint operations, chiefly from the viewpoint of the Joint Chiefs of Staff and the Theater Commander. The impact of new weapons on future warfare will be studied. Analytical studies will be assigned covering specific operations and problems encountered in World War II. Special emphasis will be placed to determine the procedures on a national level which will utilize effectively scientific methods and scientific organizations.

Instruction will be principally by the lecture system, with committee studies, reports, and analyses by individual students. Extensive use will be made of problems in which realistic situations will be assumed and solutions will be required by student groups.

Members of the faculty have been and will be drawn chiefly from the larger universities, the armed forces, and the Department of State. Among the distinguished civilian members of the faculty are Professor Hardy C. Dillard, University of Virginia, who serves as director of studies; Professors Bernard Brodie and Sherman Kent, Yale University, and Professor Walter L. Wright, Jr., Princeton University. Prominent scientists, professors, and other civilian specialists have been and are being invited to deliver lectures.

Among the notable lecturers from without the faculty addressing the students of the National War College during the first month of its initial course (September 1946) were the following persons:

Dr. W. A. McNail, director, Bell Telephone Laboratories; Maj. Gen. Leslie R. Groves, U. S. A.; Dr. Carleton J. Hayes, Columbia University; Dr. Charles A. Thomas, vice president, Monsanto Chemical Co.; Dr. Edward M. Earle, Institute for Advanced Study, Princeton, N. J.; Mr. John M. Hancock, War Resources Board; Senator Brien McMahon, United States Senate; Dr. James B. Conant, president, Harvard University; Dr. J. Robert Oppenheimer, University of California; Mr. Joseph Barnes, foreign editor, New York *Herald Tribune*; Professor Harold J. Laski, University of London, England; Field Marshal Viscount Bernard L. Montgomery of Alamein; Dr. Jacob Viner, Princeton University; Vice Admiral Russell Willson, U.S.N.; Professor Arnold Oscar Wolfers, Yale University; Professor Grayson Louis Kirk, Columbia University; Professor Philip C. Jessup, Columbia University; Professor Denis William Brogan, Cambridge University, England; Professor Harold Sprout, Princeton University; Dr. Isaiah Bowman, president, Johns Hopkins University.

There has thus been founded a college which in itself takes rank as the highest-level educational institution of the United States Government, and an organization where, under skilled guidance, the defense of the United States, the protection of its interests, and the furtherance of its policy may be jointly studied and possibly furthered by officers of those services which are called upon to implement such policy both in times of war and in times of peace. It would be a mistake, however, to regard this process and probable result as arising solely from the study of books or the expounding of themes. The by-products of the association of this group of officers, in terms of reciprocal friendship and mutual regard, loom large in the thinking of its planners. As usual in complex human affairs, the imponderables may be decisive. The hours spent in athletic pursuits, although brief, in relaxation together, and the opportunity afforded for the cross-fertilization of ideas arising from different modes of past training and experience, may lay the foundation for vital cooperation in the interests of the nation in days to come.

It would also be a mistake to view the objective of this joint training as a preparation for war.

On the contrary, the emphasis rests on the discovery of means for the maintenance of peace. In this sense, the institution is unsuitably named. It should be called, at least, the National Defense College or College of National Security. In this sense also, the contribution of the Department of State may well be constructive and forceful.

Lastly, it would be a mistake to assume that the method of approach to the problems posed by these objectives is confined to an over-intensive study of the past or to an emphasis on the differences which have, up to the present, divided and separated these varied services. The purpose of the institution is to orient this carefully selected cadre of officers into the requirements of the future, into the demands of times unborn; and a premium is therefore placed on imagination, foresight, and the ability to learn to pull together as one high command team.

There is one final observation which arises from a consideration of the importance of this new institution. A matrix has been established for the shaping of leadership for the years to come, by bringing together the ingredients of proved capacity, experience, knowledge, and a vision of the needs of tomorrow in terms of national welfare. It is therefore quite within the realm of possibility that this college may afford the mechanism for bringing together on a very high level the requirements of national policy and strategy as seen by the armed services; the long-range planning in the field of international relations which will be carried out by the Department of State and the Foreign Service; the specific training and background preparation in that field which will be developed by the Foreign Service Institute; the considerations of national welfare in the domestic field as these may be interpreted by the other Departments of the executive branch of the Government; and the equally useful participation of political leaders from the Congress of the United States who are concerned with both domestic and foreign issues. In this joint effort, there may be found in the National War College a suitable meeting-place for the contributions of many minds and many types of experience to the problems which surround the achievement of peace and the path of life, liberty, and the pursuit of happiness for millions of Americans.

## THE UNITED NATIONS

### Observance of UNESCO Month

#### STATEMENT BY THE SECRETARY OF STATE

[Released to the press October 29]

UNESCO—the United Nations Educational, Scientific and Cultural Organization—is an important agency of the United Nations. Its task is to lay the foundations of future world peace in the minds and hearts of men. A major duty of modern statesmanship is to establish conditions of mutual understanding among the peoples of the world. This can only be achieved if the peoples of the world themselves turn their thoughts toward this goal.

The meeting of the General Conference of UNESCO, which opens on November 19 in Paris, furnishes an appropriate occasion for emphasizing the fundamental unity which in part already exists, but in part must yet be created, among all peoples. For this reason, the month of November has been designated as UNESCO Month. I hope that all citizens of the United States, singly and through their groups and organizations, will participate in its observance.

#### STATEMENT BY ASSISTANT SECRETARY BENTON<sup>1</sup>

[Released to the press October 29]

The Preparatory Commission of UNESCO has called upon the people of member nations to mark the occasion of the annual meetings of the UNESCO General Conference with appropriate observances. Such observances would call attention to problems and to progress on the road toward mutual understanding among peoples.

The first of these annual meetings of the UNESCO General Conference opens in Paris November 19. The month of November, and through the period of the conference sessions, has therefore been designated as “UNESCO Month”.

Special international exhibits, concerts, and lectures to mark “UNESCO Month” will be held in France, the host country. I hope that many

organizations in the United States, both national and local, will plan to demonstrate their interest in the aims of UNESCO. This they can do through school assemblies, for example, and through library exhibits and adult discussion groups.

I know of no task more challenging, more difficult, or more hopeful than the task of UNESCO: to advance the cause of peace through understanding among peoples. UNESCO is both a symbol and an instrument of our determination to construct the defenses of peace in the minds and hearts of men.

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<sup>1</sup> Chairman of the American Delegation to the General Conference of UNESCO.

## CONGRESSIONAL ADVISERS TO UNESCO

[Released to the press November 11]

William Benton, Assistant Secretary of State for public affairs, announced on November 1 that Senator James E. Murray, of Montana, and Congressman Chester Merrow, of New Hampshire, will serve as Congressional advisers to the United States Delegation to the first session of the General Conference of UNESCO, which will convene in Paris on November 19. Senator Murray

and Congressman Merrow have both been associated intimately with United States participation in the work of UNESCO during the past year. They were members of the United States Delegation which helped frame the UNESCO constitution in London in November 1945 and were the authors of the joint resolution enacted on July 30 as Public Law 565 which provides for membership and participation by the United States in UNESCO.

### Transfer of Epidemiological Information Services From UNRRA to Health Organization

An exchange of letters between Mr. F. H. La Guardia, Director General of UNRRA, and Dr. Brock Chisholm, Executive Secretary of the Interim Commission of the World Health Organization, at Lake Success on October 22, 1946, effected the transfer from UNRRA to the Interim Commission, as of December 1, 1946, of the duties and responsibilities in the international exchange of information assigned to UNRRA by the Sanitary Conventions of 1944. This exchange of letters gave effect to provisions of the protocols of April 30, 1946 prolonging the International Sanitary Convention, 1944, and the International Sanitary Convention for Aerial Navigation, 1944, and was conducted under the authority of resolution 94 of the Fifth Session of the UNRRA Council and the arrangement of July 22, 1946 establishing the Interim Commission. This constitutes the first step in consolidation, under the World Health Organization, of the international exchange of epidemiological information formerly conducted by the International Office of Public Health, the Health Organization of the League of Nations (and the United Nations as its heir), and UNRRA.

The letters effecting the exchange of functions follow:

DEAR DR. CHISHOLM:

IN accordance with our discussion at the meeting held on Friday, October 11, 1946, of the Interim Commission-UNRRA Committee concerning the transfer, pursuant to Resolution 94, of the duties and functions relating to the administration of certain Sanitary Conventions entrusted to UNRRA under Resolutions 52 and 85 of the UNRRA Council, I propose that such duties and functions be assumed by the Interim Commission as from December 1, 1946. The duties and functions entrusted to the Administration under Resolutions 52 and 85 are specified in the International Sanitary Convention of 1944, modifying the International Sanitary Convention of June 21, 1926, the Protocol to Prolong the International Sanitary Convention, 1944, the International Sanitary Convention for Aerial Navigation, 1944, modifying the International Sanitary Convention for Aerial Navigation of April 12, 1933, and the Protocol to Prolong the International Sanitary Convention for Aerial Navigation, 1944.

The Administration upon receipt of the acceptance by the Interim Commission of this proposal will notify the Governments concerned of the transfer and of the date thereof, through the De-

*(Continued on page 847)*

## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### *Calendar of Meetings*

#### **In Session as of November 3, 1946**

Far Eastern Commission	Washington	February 26
United Nations:		
Security Council	Lake Success	March 25
Military Staff Committee	Lake Success	March 25
Commission on Atomic Energy	Lake Success	June 14
UNRRA-Inter-governmental Committee on Refugees (IGCR)	Washington and	July 25
Joint Planning Committee	Lake Success	
General Assembly	Flushing Meadows	October 23
German External Property Negotiations with Portugal (Safehaven)	Lisbon	September 3
PICAO:		
Interim Council	Montreal	September 4
Regional		
Air Traffic Control Committee, European-Mediterranean Region	Paris	October 28
Divisional		
Meteorological Division	Montreal	October 29
Special Radio Technical Division	Montreal	October 30–November 8
International Committee on Weights and Measures	Paris	October 22
Permanent Committee of the International Health Office	Paris	October 23
FAO: Preparatory Commission to study World Food Board Proposals	Washington	October 28

#### **Scheduled November 1946–January 1947**

PICAO:		
Divisional		
Communications Division	Montreal	November 19
Search and Rescue Division	Montreal	November 26
Rules of the Air and Air Traffic Control Practices Division	Montreal	December 3
Personnel Licensing Division	Montreal	January 7
Aeronautical Maps and Charts Division	Montreal	January 14
World Health Organization: Interim Commission	Geneva	November 4
Council of Foreign Ministers	New York	November 4
International Telegraph Consulting Committee (CCIT)	London	November 4–9
IARA: Meetings on Conflicting Custodial Claims	Brussels	November 6
International Technical Committee of Aerial Legal Experts (CITEJA)	Cairo	November 6
International Wool Meeting	London	November 11–16

Calendar prepared by the Division of International Conferences, Department of State.

ILO:		
Industrial Committee on Textiles	Brussels	November 14–22
Industrial Committee on Building, Civil Engineering and Public Works	Brussels	November 25–December 3
UNESCO:		
Preparatory Commission	Paris	November 14–15
General Conference	Paris	November 19
“Month” Exhibition	Paris	November–December
Second Inter-American Congress of Radiology	Habana	November 17–22
International Whaling Conference	Washington	November 20
Rubber Study Group Meeting	The Hague	November 25
United Nations:		
ECOSOC: Commission on Narcotic Drugs	Lake Success	November 27
Statistical Commission	Lake Success	January (tentative)
Telecommunications Advisory Committee	Lake Success	November 10
Inter-American Commission of Women: Fifth Annual Assembly	Washington	December 2–12
Inter-governmental Committee on Refugees (IGCR): Sixth Plenary Session	London	December 11
Twelfth Pan American Sanitary Conference	Caracas	January 12–24
Second Pan American Conference on Sanitary Education	Caracas	January 12–24

*Activities and Developments* »

**U. S. DELEGATION TO PREPARATORY COMMISSION OF FAO**

[Released to the press October 28]

The President has approved the personnel of the United States Delegation to the Preparatory Commission which was convened by the Food and Agriculture Organization of the United Nations in Washington on October 28, 1946. The opening session was convened at 10:45 a.m., E.S.T., in the Department of Agriculture Auditorium. The Preparatory Commission will consider the proposals of the Director General of FAO regarding the establishment of a world food board and alternative proposals for accomplishing the same objectives (stabilizing agricultural prices and improving nutrition throughout the world). The meeting is being held pursuant to a resolution of the Second Session of the FAO Conference which was held in Copenhagen, Denmark, September 2 to 13, 1946.

*Delegate*

Norris E. Dodd, Under Secretary of Agriculture

*Alternate Delegates*

- Willard L. Thorp, Deputy to the Assistant Secretary for Economic Affairs, Department of State  
 Leslie A. Wheeler, Director, Office of Foreign Agricultural Relations, Department of Agriculture

*Advisers*

- Dr. Howard B. Boyd, Director, Office of Price, Production and Market Administration, Department of Agriculture  
 Edward G. Cale, Associate Chief, International Resources Division, Office of International Trade Policy, Department of State  
 Joseph D. Coppock, Economic Adviser, Office of International Trade Policy, Department of State  
 Carl N. Gibbonney, Commodity Arrangements Policy Adviser, Commercial Policy Staff, Department of Commerce  
 James G. Maddox, Special Assistant to the Chief, Bureau of Agricultural Economics, Department of Agriculture  
 Leroy D. Stinebower, Special Assistant to the Assistant Secretary of State for Economic Affairs, Department of State, and Deputy Representative on the Economic and Social Council of U.N.  
 Miss Faith M. Williams, Director, Staff of Foreign Labor Conditions, Department of Labor  
 Dr. Oscar Zaglits, Head, Finance and Trade Policy Section, Office of Foreign Agricultural Relations, Department of Agriculture

*Secretary of the Delegation*

- Duncan Wall, Head, Division of Foreign Information and Statistics, Office of Foreign Agricultural Relations, Department of Agriculture

**U.S. TECHNICAL GROUP APPOINTED FOR PICAO**

[Released to the press October 30]

The composition of a United States technical group, meeting in Montreal on October 30 with the Special Radio Technical Division of the PICAO Air Navigation Committee was announced by the Department of State.

The Special Radio Technical Division meeting has been called to formulate plans for an international agreement for standardized radio equipment.

The United States technical group is as follows:

*Head of Technical Group*

- J. Paul Barringer, Assistant Chief, Aviation Division, Department of State

*Alternate*

- Charles I. Stanton, Deputy Administrator, Civil Aeronautics Administration

*Advisers*

- Capt. D. C. Beard, U. S. N., Operational Readiness, Electronics, Office of DCEO (Operations), Navy Department  
 Capt. A. H. Bergeson, Electronics Division, RD & E, Bureau of Aeronautics, Navy Department  
 Lt. Col. R. T. Black, Air Communications Office, Headquarters, Army Air Forces, War Department  
 Capt. A. S. Born, Aviation Plans, Office of DCNO (Air), Navy Department  
 Roy Bryan, Electronics Subdivision, War Department, Wright Field, Dayton, Ohio  
 Peter Caporale, Chief, Communications Engineering Division, Federal Airways, Civil Aeronautics Administration  
 Capt. G. L. Caswell, Office of DCNO (Operations), Communications Subsection, Fleet Operations, Navy Department  
 E. A. Currell, American Airlines, New York, N. Y.  
 Col. James K. DeArmond, Electronic Subdivision, War Department, Wright Field, Dayton, Ohio  
 Robert Froman, Technical Assistant to Director, Safety Bureau, Civil Aeronautics Board  
 Paul Goldsborough, Director of Communications, Transcontinental and Western Air, Inc.  
 C. G. Harrison, Telecommunications Division, Department of State  
 Lt. Comdr. G. E. Howarth, Engineering Division, U. S. Coast Guard  
 J. L. Kinney, Flight Operations Service, Safety Regulations, Civil Aeronautics Administration  
 C. M. Lample, Director, Air Navigation Facilities Service, Federal Airways, Civil Aeronautics Administration  
 P. D. McKeel, Office of Assistant Administrator for Federal Airways, Civil Aeronautics Administration  
 Capt. G. G. McLintock, Chief Inspection Officer, U. S. Maritime Service, U. S. Maritime Commission  
 Lt. Comdr. J. L. McNally, Design Branch, Electronics Division, Bureau of Ships, Navy Department  
 Thomas Murrell, Office of Secretary of War, War Department  
 R. G. Nichols, Aeronautical Radio, Inc.  
 F. B. Novenger, Aircraft and Components Service, Safety Regulation, Civil Aeronautics Administration  
 Capt. C. H. Peterson, Operations Division, U. S. Coast Guard  
 Col. J. H. Rothrock, Requirements Division, Headquarters, Army Air Forces, War Department  
 George V. Stelzenmuller, Radio Engineer, Federal Communications Commission  
 D. M. Stuart, Director, Technical Development Service, Federal Airways, Civil Aeronautics Administration  
 V. I. Weihe, Air Navigation—Traffic Control Division, Air Transport Association of America  
 W. L. Webb, Director of Engineering and Research, Bendix Radio Corporation, Baltimore, Md.  
 E. L. White, Chief, Aviation Division, Federal Communications Commission

**U. S. DELEGATES TO INTERNATIONAL TELEGRAPH MEETING**

[Released to the press October 30]

The United States has designated four observers to attend a meeting of a special commission of the International Telegraph Consulting Committee in London, November 4-9, the Department of State announced on October 30. The committee will prepare for the resumption of operations on the study of highly technical problems affecting international telegraph which were interrupted during the war.

The American observers are:

Clifford Durr, Commissioner of the Federal Communications Commission

David Adams, Attorney of the Federal Communications Commission

Marion W. Woodward, Assistant Chief Engineer of the Federal Communications Commission

William H. J. McIntyre, Telecommunications Attaché, American Embassy, London

The special commission, under the chairmanship of Hugh Townsend of the British Post Office within whose jurisdiction telegraph matters fall, will study the application throughout the world of the international telegraph-rate pattern for telecommunications services which was adopted at the Bermuda Telecommunications Conference last December under the auspices of the United States and the British Commonwealth.

While the United States is not a party to the International Telegraph Regulations and is not a member of the International Telegraph Consulting Committee, it received and accepted the invitation to send observers to the London meeting.

**FINAL SESSION OF THE SECOND PAN AMERICAN CONGRESS OF MINING ENGINEERING AND GEOLOGY<sup>1</sup>**

The second Pan American Congress of Mining Engineering and Geology held its final session on

<sup>1</sup>Prepared by Mr. C. A. Wendel of the International Resources Division, Department of State.

<sup>2</sup>Prepared by the Division of International Conferences in collaboration with the Division of International Labor, Social and Health Affairs, Department of State.

October 15, 1946, at the Hotel Quitandinha, Petropolis, Brazil, after a two-week meeting devoted to discussion of mineral problems and to inspection of important mining and metallurgical operations in Brazil.

The final resolutions of the Congress, approved at the closing session, included reaffirmation of the Economic Charter of the Americas, sponsorship of a Pan American Institute of Mining Law, encouragement of the exchange of information and of technicians between the American countries, and promotion of uniform standards of statistics and of technical terms.

The Congress also expressed unanimously its desire that the Third Congress be held in the United States not later than four years hence. The United States Section of the Pan American Institute of Mining Engineering and Geology (PAIMEG) is charged with the responsibility of coordinating arrangements for this Congress.

Paul C. Daniels, Chargé d'Affaires ad interim of the American Embassy, served as chairman of the United States Delegation to the Second Congress. Other members of the Delegation were: Dr. R. R. Sayers, Director, Bureau of Mines; Dr. Edward Steidle, Pennsylvania State College; Dr. William E. Wrather, Director, Geological Survey; Clarence C. Brooks, Counselor of American Embassy in Brazil for Economic Affairs; Emerson I. Brown, Minerals Attaché of American Embassy, Rio de Janeiro; Ivan G. Harmon, Petroleum Attaché of the American Embassy, Rio de Janeiro; Roger Rhoades, Chief Geologist, Bureau of Reclamation; and Clarence A. Wendel, Department of State. In addition to the Delegation, about 20 other Americans, representing private industry and governmental agencies, took an active part in the proceedings of the Congress. The official transcriptions of the deliberations and conclusions of the Congress are not available at this time, pending printing and translation.

**ILO INDUSTRIAL COMMITTEE ON TEXTILES<sup>2</sup>**

The initial meeting of the ILO Industrial Committee on Textiles is scheduled to be held in Brussels, Belgium from November 14 through Novem-

ber 22. Representing the Government of the United States will be Robert J. Myers, Manpower Division, Office of Military Government for Germany (United States), and Assistant Commissioner Designate, Bureau of Labor Statistics, United States Department of Labor; and Rene Lutz, Economic Analyst, Leather and Textile Division, United States Department of Commerce. Their advisers will include Verl E. Roberts of the Department of Labor, and Murray Ross of the Department of State. Textile employers of the United States will be represented by Edwin Wilkinson, Assistant to the President, National Association of Wool Manufacturers, and Herbert H. Schell, President, Sidney Blumenthal & Company Incorporated. Workers in the United States textile industry will be represented by Lloyd Klenert, Secretary-Treasurer, United Textile Workers of America, Washington, D. C., and John Vertente, Jr., Executive Council Member, United Textile Workers of America, New Bedford, Massachusetts.

The other countries scheduled to participate are: Australia, Belgium, Brazil, Canada, China, Denmark, Egypt, France, United Kingdom, India, Italy, Mexico, Norway, Netherlands, Peru, Poland, Sweden, Switzerland, Czechoslovakia, and Argentina. This meeting stems from the policy inaugurated by the Governing Body of the International Labor Office in January 1945 of establishing seven major Industrial Committees for the purpose of paying closer attention to the individual industries and thus implementing the previously evolved general principles governing labor standards and social policy on an individual industry basis. In line with these objectives, the ILO has already held the initial meetings of four of the Industrial Committees: Coal Mining, Inland Transport, Iron and Steel, and Metal Trades, in all of which the United States Government was represented by complete delegations. As in the case of the previously held committee meetings, the first session of the Textile Committee is expected to be largely organizational in character, and to lend itself to preliminary explorations into the fields of social policy in which future international cooperation in the world textile industries may be undertaken.

**Information Services**—Continued from page 842

partment of State of the United States of America, which is the depository of the above-named Conventions and Protocols. In addition, the Administration will transfer to the Interim Commission such of its records, equipment and other materials as are necessary to enable the Interim Commission to assume these duties and functions. The records, equipment and other materials proposed to be transferred are specified in Appendix 1,<sup>1</sup> enclosed herewith.

Sincerely yours,

F. H. LA GUARDIA  
*Director-General*

DEAR MR. LA GUARDIA:

In response to your letter of October 22, I have the honour to inform you, in pursuance of paragraph 2 (f) of the Arrangement concluded on 22 July 1946 by 61 governments represented on the International Health Conference, assigning to the Interim Commission of the World Health Organization the task of taking all necessary steps for assumption by that Commission of the duties and functions entrusted to the United Nations Relief and Rehabilitation Administration by the International Sanitary Conventions, 1944 and the Protocols to prolong them, that the Interim Commission will undertake to carry out, as of 1st December 1946, the duties and functions which have been performed by the United Nations Relief and Rehabilitation Administration under these International Sanitary Conventions. I should be grateful if you would make the necessary arrangements to notify the governments now parties to these conventions of that fact.

I shall be glad, with your permission, to arrange with Dr. W. A. Sawyer, Director of Health, UNRRA, the practical arrangements for the transfer of these functions, together with the relevant materials, records and equipment which you have offered to the Interim Commission and which we gratefully accept.

Yours very sincerely,

BROCK CHISHOLM  
*Executive Secretary*

<sup>1</sup> Not printed.

## THE RECORD OF THE WEEK

### United States-Arabian Views on Palestine Problem

#### EXCHANGE OF MESSAGES BETWEEN THE KING OF SAUDI ARABIA AND THE PRESIDENT<sup>1</sup>

*October 15, 1946.*

YOUR EXCELLENCY:

In my desire to safeguard and strengthen in every way possible the friendship which binds our two countries together and which existed between the late President Roosevelt and which was renewed with Your Excellency, I reiterate my feelings on every occasion when this friendship between the United States on the one hand, and my country and the other Arab countries on the other hand, is endangered, so that all obstacles in the way of that friendship may be removed.

On previous occasions I wrote to the late President Roosevelt and to Your Excellency, and explained the situation in Palestine; how the natural rights of the Arabs therein go back thousands of years and how the Jews are only aggressors, seeking to perpetrate a monstrous injustice, at the beginning, speaking in the name of humanitarianism, but later openly proclaiming their aggressiveness by force and violence as is not unknown to Your Excellency and the American people. Moreover, the designs of the Jews are not limited to Palestine only, but include the neighboring Arab countries within their scope, not even excluding our holy cities.

I was therefore astonished at the latest announcement issued in your name in support of the Jews in Palestine and its demand that floodgates

of immigration be opened in such a way as to alter the basic situation in Palestine in contradiction to previous promises. My astonishment was even greater because the statement ascribed to Your Excellency contradicts the Declaration which the American Legation in Jeddah requested our Foreign Office to publish in the Government's official paper *Omm Al-Qura* in the name of the White House, on August 16, 1946, in which it was stated that the Government of the United States had not made any proposals for the solution of the Palestine problem, and in which you expressed your hope that it would be solved through the conversations between the British Government and the Foreign Ministers of the Arab States, on the one hand, and between the British Government and the third party on the other, and in which you expressed the readiness of the United States to assist the displaced persons among whom are Jews. Hence, my great astonishment when I read your Excellency's statement and my incredulity that it could have come from you, because it contradicts previous promises made by the Government of the United States and statements made from the White House.

I am confident that the American people who spent their blood and their money freely to resist aggression, could not possibly support Zionist aggression against a friendly Arab country which has committed no crime except to believe firmly in those principles of justice and equality, for which

<sup>1</sup> Abdulaziz Ibn Abdul-Rahman Al-Faisal Al-Saud.

the United Nations, including the United States, fought, and for which both your predecessor and you exerted great efforts.

My desire to preserve the friendship of the Arabs and the East towards the United States of America has obliged me to expound to Your Excellency the injustice which would be visited upon the Arabs by any assistance to Zionist aggression.

I am certain that Your Excellency and the American people cannot support right, justice, and equity and fight for them in the rest of the world while denying them to the Arabs in their country, Palestine, which they have inherited from their ancestors from Ancient Times.

With Greetings,

ABDUL-AZIZ

[Released to the press by the White House October 28]

*October 28, 1946*

YOUR MAJESTY:

I have just received the letter with regard to Palestine which Your Majesty was good enough to transmit to me through the Saudi Arabian Legation under date of October 15, 1946, and have given careful consideration to the views expressed therein.

I am particularly appreciative of the frank manner in which you expressed yourself in your letter. Your frankness is entirely in keeping with the friendly relations which have long existed between our two countries, and with the personal friendship between Your Majesty and my distinguished predecessor; a friendship which I hope to retain and strengthen. It is precisely the cordial relations between our countries and Your Majesty's own friendly attitude which encourages me to invite your attention to some of the considerations which have prompted this Government to follow the course it has been pursuing with respect to the matter of Palestine and of the displaced Jews in Europe.

I feel certain that Your Majesty will readily agree that the tragic situation of the surviving victims of Nazi persecution in Europe presents a problem of such magnitude and poignancy that it cannot be ignored by people of good will or humanitarian instincts. This problem is worldwide. It seems to me that all of us have a common respon-

sibility for working out a solution which would permit those unfortunates who must leave Europe to find new homes where they may dwell in peace and security.

Among the survivors in the displaced persons centers in Europe are numbers of Jews, whose plight is particularly tragic inasmuch as they represent the pitiful remnants of millions who were deliberately selected by the Nazi leaders for annihilation. Many of these persons look to Palestine as a haven where they hope among people of their own faith to find refuge, to begin to lead peaceful and useful lives, and to assist in the further development of the Jewish National Home.

The Government and people of the United States have given support to the concept of a Jewish National Home in Palestine ever since the termination of the first World War, which resulted in the freeing of a large area of the Near East, including Palestine, and the establishment of a number of independent states which are now members of the United Nations. The United States, which contributed its blood and resources to the winning of that war, could not divest itself of a certain responsibility for the manner in which the freed territories were disposed of, or for the fate of the peoples liberated at that time. It took the position, to which it still adheres, that these peoples should be prepared for self-government and also that a national home for the Jewish people should be established in Palestine. I am happy to note that most of the liberated peoples are now citizens of independent countries. The Jewish National Home, however, has not as yet been fully developed.

It is only natural, therefore, that this Government should favor at this time the entry into Palestine of considerable numbers of displaced Jews in Europe, not only that they may find shelter there, but also that they may contribute their talents and energies to the upbuilding of the Jewish National Home.

It was entirely in keeping with the traditional policies of this Government that over a year ago I began to correspond with the Prime Minister of Great Britain in an effort to expedite the solving of the urgent problem of the Jewish survivors in the displaced persons camps by the transfer of a substantial number of them to Palestine. It was

my belief, to which I still adhere, and which is widely shared by the people of this country, that nothing would contribute more effectively to the alleviation of the plight of these Jewish survivors than the authorization of the immediate entry of at least 100,000 of them to Palestine. No decision with respect to this proposal has been reached, but this Government is still hopeful that it may be possible to proceed along the lines which I outlined to the Prime Minister.

At the same time there should, of course, be a concerted effort to open the gates of other lands, including the United States, to those unfortunate persons, who are now entering upon their second winter of homelessness subsequent to the termination of hostilities. I, for my part, have made it known that I am prepared to ask the Congress of the United States, whose cooperation must be enlisted under our Constitution, for special legislation admitting to this country additional numbers of these persons, over and above the immigration quotas fixed by our laws. This Government, moreover, has been actively exploring, in conjunction with other governments, the possibilities of settlement in different countries outside Europe for those displaced persons who are obliged to emigrate from that continent. In this connection it has been most heartening to us to note the statements of various Arab leaders as to the willingness of their countries to share in this humanitarian project by taking a certain number of these persons into their own lands.

I sincerely believe that it will prove possible to arrive at a satisfactory settlement of the refugee problem along the lines which I have mentioned above.

With regard to the possibility envisaged by Your Majesty that force and violence may be used by Jews in aggressive schemes against the neighboring Arab countries, I can assure you that this Government stands opposed to aggression of any kind or to the employment of terrorism for political purposes. I may add, moreover, that I am convinced that responsible Jewish leaders do not contemplate a policy of aggression against the Arab countries adjacent to Palestine.

I cannot agree with Your Majesty that my statement of Oct. 4 is in any way inconsistent with the position taken in the statement issued on my behalf

on Aug. 16. In the latter statement the hope was expressed that as a result of the proposed conversations between the British Government and the Jewish and Arab representatives a fair solution of the problem of Palestine could be found and immediate steps could be taken to alleviate the situation of the displaced Jews in Europe. Unfortunately, these hopes have not been realized. The conversations between the British Government and the Arab representatives have, I understand, been adjourned until December without a solution having been found for the problem of Palestine or without any steps having been taken to alleviate the situation of the displaced Jews in Europe.

In this situation it seemed incumbent upon me to state as frankly as possible the urgency of the matter and my views both as to the direction in which a solution based on reason and good will might be reached and the immediate steps which should be taken. This I did in my statement of October 4.

I am at a loss to understand why Your Majesty seems to feel that this statement was in contradiction to previous promises or statements made by this Government. It may be well to recall here that in the past this Government, in outlining its attitude on Palestine, has given assurances that it would not take any action which might prove hostile to the Arab people, and also that in its view there should be no decision with respect to the basic situation in Palestine without prior consultation with both Arabs and Jews.

I do not consider that my urging of the admittance of a considerable number of displaced Jews into Palestine or my statements with regard to the solution of the problem of Palestine in any sense represent an action hostile to the Arab people. My feelings with regard to the Arabs when I made these statements were, and are at the present time, of the most friendly character. I deplore any kind of conflict between Arabs and Jews, and am convinced that if both peoples approach the problems before them in a spirit of conciliation and moderation these problems can be solved to the lasting benefit of all concerned.

I furthermore do not feel that my statements in any way represent a failure on the part of this Government to live up to its assurance that in its view there should be no decision with respect to the

basic situation in Palestine without consultation with both Arabs and Jews. During the current year there have been a number of consultations with both Arabs and Jews.

Mindful of the great interest which your country, as well as my own, has in the settlement of the various matters which I have set forth above, I take this opportunity to express my earnest hope that Your Majesty, who occupies a position of such eminence in the Arab world, will use the great influence which you possess to assist in the finding in the immediate future of a just and lasting solution. I am anxious to do all that I can to aid in the matter and I can assure Your Majesty that the Government and people of the United States are continuing to be solicitous of the interests and welfare of the Arabs upon whose historic friendship they place great value.

I also take this occasion to convey to Your Majesty my warm personal greetings and my best wishes for the continued health and welfare of Your Majesty and your people.

Very sincerely yours,

HARRY S. TRUMAN

## Electoral Preparations in Rumania

### U.S. VIEWS STATED IN NOTE TO RUMANIAN GOVERNMENT

[Released to the press October 29]

*Text of note delivered by Burton Y. Berry, the representative of the United States in Rumania, to G. Tatarescu, the Rumanian Minister for Foreign Affairs, on October 28.*

I have been instructed to inform you that, subsequent to its notes of May 27<sup>1</sup> and June 14<sup>2</sup> and the Rumanian Government's replies thereto, my Government has taken cognizance of the promulgation by the Rumanian Government of an electoral law, of the steps taken for registration of the Rumanian electorate, and of the announcement of a firm date for general legislative elections.

It is, however, a matter of concern to my Government that, according to information at its disposal which it regards as reliable, certain aspects of the electoral preparations in Rumania suggest

that these elections may not be of the free and equitable character assured by the Rumanian Government in its acceptance of the Moscow Conference decisions nor result in the choice of a Government responsive to the will of the people as envisaged in the Crimean Conference agreement.

Specifically, my Government observes the following apparent contraventions of the assurances which it received in January 1946 from the Rumanian Council of Ministers and its President:

(1) The freedom of participation in the elections promised in January appears to be seriously endangered in the case of those outside the present governmental electoral Bloc, by various acts of discrimination involving restrictions on registration and by the intimidation of individuals.

(2) The participating parties outside the governmental electoral Bloc have been wholly denied the use of broadcasting facilities, although they were promised equitable use of such facilities to present their views and although they are subjected to constant attack by the Bloc parties through this medium.

(3) The rights assured in January to print, publish and distribute their political publications is still greatly restricted in the case of parties outside the Bloc by direct and indirect means.

(4) Participating parties outside the governmental electoral Bloc continue to encounter major impediments and violent opposition to the right which was assured them to organize associations, hold meetings, and be allowed premises for this purpose.

Mindful of its undertakings under the Yalta, Potsdam, and Moscow Conference agreements, the Government of the United States takes this occasion, in anticipation of the announced elections, to recall the assurances communicated to it by the written declaration of the Council of Ministers and by the oral statement of the President of the Council, which formed a basis for recognition of the Rumanian Government by the Government of the United States.

<sup>1</sup> For Rumanian reply, see BULLETIN, June 9, 1946, p. 1007, and June 16, 1946, p. 1048.

<sup>2</sup> BULLETIN of June 30, 1946, p. 1125.

## The Lawyer in Military Government of Germany

BY CHARLES FAHY

The lawyer, as was true of others engaged in the work of the occupation in Germany, had little in the way of precedents. This paper is intended only to be descriptive. It is not an analytical study of the legal work. It should be considered as if it were one of a series, opening up a general view without elaboration of the many facets of the work. The lawyer had his special problems as well as those related to the whole. For example, there reposed in the occupation authorities great power, unreviewable by a judiciary. The appeal was therefore to one's conscience, courage, and wisdom, guided by our traditions in so far as the purposes of the occupation permitted.

It seems desirable to review initially certain basic state papers relating to the occupation. The Crimea Conference communiqué of February 1945, issued by Churchill, Roosevelt, and Stalin, announced that common policies and plans had been agreed upon for enforcing unconditional surrender on Nazi Germany, and that under the agreed plans the forces of the three powers would occupy a separate zone in Germany.<sup>1</sup> "Coordinated administration and control has been provided for under the plan through a central control commission consisting of the Supreme Commanders of the three powers with headquarters in Berlin." France, it was stated, should be invited to take a zone of occupation, and to participate as fourth member of the Control Commission. On May 8, 1945, the act of unconditional military surrender had been signed in Berlin.<sup>2</sup> It contained a provi-

sion that its terms were without prejudice to and would be superseded by any general instrument of surrender imposed by or on behalf of the United Nations and applicable to Germany and her armed forces. On June 5 the commanders of the four powers issued at Berlin a declaration regarding the defeat and the assumption of supreme authority by the Governments of the United Kingdom, the United States, the U.S.S.R., and the Provisional Government of France.<sup>3</sup> Certain specific instructions were contained in this statement, principally relating to military requirements. It was also provided that the Allied representatives would impose on Germany additional political, administrative, economic, financial, military, and other requirements, and would issue proclamations, orders, ordinances, and instructions, which all German authorities and the German people "shall fully comply with". On the same day, June 5, 1945, the four Governments issued another statement, this one describing the control machinery in Germany, as follows:<sup>4</sup>

"1. In the period when Germany is carrying out the basic requirements of unconditional surrender, supreme authority in Germany will be exercised, on instructions from their Governments, by the Soviet, British, United States, and French Commanders-in-Chief, each in his own zone of occupation, and also jointly, in matters affecting Germany as a whole. The four Commanders-in-Chief will together constitute the Control Council. Each Commander-in-Chief will be assisted by a political adviser.

"2. The Control Council, whose decisions shall be unanimous, will ensure appropriate uniformity of action by the Commanders-in-Chief in their respective zones of occupation and will reach agreed decisions on the chief questions affecting Germany as a whole.

"3. Under the Control Council, there will be a

Address delivered before the Section of International Comparative Law, American Bar Association, in Atlantic City, N.J. on Oct. 29 and released to the press on the same date. Mr. Fahy is Legal Adviser, Department of State.

<sup>1</sup> BULLETIN of Feb. 18, 1945, p. 213.

<sup>2</sup> BULLETIN of July 22, 1945, p. 106.

<sup>3</sup> BULLETIN of June 10, 1945, p. 1051.

<sup>4</sup> BULLETIN of June 10, 1945, p. 1054.

permanent Co-ordinating Committee composed of one representative of each of the four Commanders-in-Chief and a Control Staff organized in the following Divisions (which are subject to adjustment in the light of experience) :

“Military; Naval; Air; Transport; Political; Economic; Finance; Reparation, Deliveries and Restitution; Internal Affairs and Communications; Legal; Prisoners of War and Displaced Persons; Manpower.

“There will be four heads of each Division, one designated by each Power. The staffs of the Divisions may include civilian as well as military personnel, and may also in special cases include nationals of other United Nations appointed in a personal capacity.

“4. The functions of the Co-ordinating Committee and of the Control Staff will be to advise the Control Council, to carry out the Council's decisions and to transmit them to the appropriate German organs, and to supervise and control the day-to-day activities of the latter.

“5. Liaison with the other United Nations Governments chiefly interested will be established through the appointment by such Governments of military missions (which may include civilian members) to the Control Council. These missions will have access through the appropriate channels to the organs of control.

“6. United Nations organizations will, if admitted by the Control Council to operate in Germany, be subordinate to the Allied control machinery and answerable to it.

“7. The administration of the ‘Greater Berlin’ area will be directed by an Inter-Allied Governing Authority, which will operate under the general direction of the Control Council, and will consist of four Commandants, each of whom will serve in rotation as Chief Commandant. They will be assisted by a technical staff which will supervise and control the activities of the local German organs.

“8. The arrangements outlined above will operate during the period of occupation following German surrender, when Germany is carrying out the basic requirements of unconditional surrender. Arrangements for the subsequent period will be the subject of a separate agreement.”

Likewise on June 5 a third statement was made providing that Germany, within her frontiers as of 31 December 1937, would for purposes of the occupation be divided into four zones, one to be allotted to each power, as therein generally described, the occupying forces in each zone to be under a Commander-in-Chief.<sup>5</sup> This statement also provided that the area of “Greater Berlin” would be occupied by forces of each of the four powers, and that there would be established an Inter-Allied Governing Authority (*Kommandatura*) consisting of the four Commandants appointed by their respective Commanders-in-Chief, to direct jointly the administration of the area. Later, on August 2, the Potsdam Protocol<sup>6</sup> was signed in Berlin by Marshal Stalin, Prime Minister Attlee, and President Truman. France did not participate at Potsdam but in accordance with the statements of June 5 was invited to and did become a member of the Control Commission (after Potsdam called the Control Council) and assumed its place as one of the four occupying powers. The Potsdam Protocol contained the basic political and economic principles applicable to Germany. The following provision should be noted as bearing on the respective authority of the Control Council and the individual governments :

“In accordance with the agreement on control machinery in Germany, supreme authority in Germany is exercised on instructions from their respective governments, by the Commanders-in-Chief of the armed forces of the United States of America, the United Kingdom, the Union of Soviet Socialist Republics, and the French Republic, each in his own zone of occupation, and also jointly, in matters affecting Germany as a whole, in their capacity as members of the Control Council.”

I went to Germany in July 1945, to become Legal Adviser to the Military Governor and Deputy Military Governor and Director of the Legal Division with supervision of the legal work in the United States zone and of the United States participation in the quadripartite control machinery. General Eisenhower was Commander-in-Chief of the Armed Forces and Military Governor, the positions now occupied by General McNarney. Lieu-

<sup>5</sup> BULLETIN of June 10, 1945, p. 1052.

<sup>6</sup> BULLETIN of Aug. 5, 1945, p. 153.

tenant General Lucius D. Clay, Deputy Military Governor, was, as he is now, in immediate charge of the United States Governmental staff, and is our member of the Coordinating Committee. Joint control of the whole of Germany on the agreed quadripartite basis had not begun in July, 1945. It was to await the conclusion of the Potsdam Conference soon to convene. Preparations, however, were under way.

Before the general movement of Military Government staff personnel to Berlin in August I was there for about 24 hours at a conference of Mr. Justice Jackson with Secretary Byrnes, General Betts, Theatre Judge Advocate, and Assistant Secretary of War McCloy. It happened to be the day of the general election in England. Mr. Churchill had gone home to await the results, and as you know the great war leader was succeeded at Potsdam by Mr. Attlee.

Berlin was in ruins. A few young Russian soldiers stood guard amid the shambles of the previous grandeur of the Reich Chancellery. These ruins were typical of the collapse and devastation of the cities of Germany. In our own sector of Berlin our Army was physically rehabilitating a group of buildings selected as the seat of U.S. Military Government, and our forces were also putting in usable condition one of the large Berlin Court buildings which was soon to become the seat of the Allied Control Authority for the government of all of Germany under the four-power machinery.

Pending the activation of the quadripartite machinery of government, our own zone (the *Länder* of Bavaria, Greater Hesse, and Württemberg-Baden), as well as the U.S. sector of Berlin, were completely occupied by the Army. The inhabitants of the zone numbered approximately sixteen millions at that time. United States policy for the zone had been formulated prior to the occupation and had been put into effect through directives of the Joint Chiefs of Staff. The principal directives (J.C.S. 1067) had been implemented in the zone in considerable detail by laws and orders covering a wide range.<sup>7</sup> These had to do not only with law and order, but with provisions designed to carry out the policies of de-Nazification, demili-

tarization and deindustrialization, and the reestablishment of a basis of a free society with Nazi influences eliminated. The task cannot be appraised without reference to the utter collapse of Germany. It was not merely a complete military collapse ending in unconditional surrender. The disintegration of the armies in the field was accompanied by full economic and governmental collapse. In the field of government, for example, not only had all executive functions ceased, but all the courts were closed. In the economic life, all transport and communication were at a standstill. Life was barren and chaotic. Only on the farms (and they were largely stripped of manhood except the old and infirm) was there evidence of productive economic life and that wholly inadequate for the needs of subsistence. The cities were physical ruins. Millions of armed forces were prisoners, and millions of displaced persons were on the hands of the occupying forces, struggling homeward or seeking some place other than where they had been.

With our forces in our zone and in Berlin were a number of trained Military Government detachments to assist in the control and direction of the life of the inhabitants on a governmental basis. With these detachments were legal officers and officers who in their training had specialized in various branches of governing responsibility. These Military Government units were initially, by reason of general conditions, especially of communications, almost self-contained and somewhat isolated. General coordination and supervision in theory, and gradually in practice as time permitted, stemmed back principally to Army G-5 (Civil Affairs) at Frankfurt, where our Commander-in-Chief retained his headquarters. Later there were established direct channels on an operational level between the Berlin headquarters of the Office of Military Government and the offices in the zone. Actual integration of policy with operations lagged behind responsibility while the difficult tasks of communications and channels of authority were solved. The changes in procedures from the command of a great fighting army to the methods of governmental functioning were not simple and of course were complicated by conditions within Germany.

<sup>7</sup> BULLETIN of Oct. 21, 1945, p. 506.

On the quadripartite basis, with jurisdiction through all of Germany, as has been indicated, there are the Control Council and the Coordinating Committee. Below these levels are the Four Power Directorates, composed of the four Directors of a particular junction. The Coordinating Committee and these Directorates meet almost continuously. The Legal Directorate, for example, meets regularly twice a week. Some Directorates meet oftener. The scope of the work is illustrated by naming some of the other Directorates, such as the Political, Economic, Finance, Manpower, Civil Affairs, Intelligence, Prisoners of War and Displaced Persons, and Armed Forces. Their number and character went through some change as experience dictated. Before these Directorates and their subdivisions, or committees, the problems of the occupation come, including questions of agriculture, industry, transportation, labor, finance, education, public safety, public health, military and naval problems, communications, including postal, trade and commerce, political, legal, etc. The proceedings of the Control Council, Coordinating Committee, and Directorates are in three languages. Laws are also published in German unless solely administrative and having no impact on the population. The work is facilitated by well-organized secretariats.

One further development in the total of governmental structure created since the occupation should here be mentioned. In each zone there have been created German agencies on a state-wide basis, the foundations of a democratic government. This is in addition to numerous local officials. The United States, I believe, has been well in advance of the other powers in this respect. Much responsibility has gradually been placed upon the German Ministers and agencies under them in the three *Länder* in the U.S. zone. Their work is coordinated through a *Landrat* established at Stuttgart. This subject deserves separate treatment and I shall not enlarge upon it.

The first meetings of the Control Council, Coordinating Committee, and Directorates were held under American Chairmanship in August 1945 in Berlin. The legal Directorate began consideration immediately of drafts of several proposed enactments establishing the basic legislative

scheme for the Control Authority; that is, the form of legislative action, divided into defined categories of proclamations, laws, orders, directives, and instructions; the establishment of the official languages for legislative action; and provision for a gazette of laws and orders to be issued periodically. One of the early accomplishments of the Legal Directorate was agreement on Proclamation no. 1<sup>8</sup> (signed by the Control Council August 30, 1946) announcing to the people of Germany the assumption of supreme authority by the four governments in accord with the June 5 statement, the establishment of the Control Council, and the continuation in force in the several zones of the existing laws and orders issued by the respective Commanders-in-Chief. We then agreed upon the repeal of a long list of laws of a political or discriminatory character upon which the Nazi regime rested (Law No. 1,<sup>9</sup> signed by the Control Council 20 September, 1945). This law also contained a general provision that no German enactment "shall be applied judicially or administratively" so as to discriminate against any person by reason of his race, nationality, religious beliefs, or opposition to the N.S.D.A.P. or its doctrines. At the same time was enacted Law No. 2,<sup>10</sup> terminating the National Socialist German Labor Party, its formations, affiliated, associated, and supervised organizations, including paramilitary organizations, and confiscating their assets. A lengthy list of organizations was appended to this statute.

We then turned to affirmative action, and agreement was reached upon the terms of Proclamation No. 3 entitled "Fundamental Principles of Judicial Reform".<sup>11</sup> The paper which eventuated in this Proclamation of the Control Council was introduced before the Legal Directorate by the United States, and was handled there largely by Judge J. Warren Madden, then Associate Director of the Legal Division and later Director. The proclamation provides in part: "All persons are equal before the law. No person, whatever his race, nationality or religion, shall be deprived of

<sup>8</sup> For text of proclamation, see p. 859.

<sup>9</sup> For text of law, see p. 859.

<sup>10</sup> For text of law, see p. 860.

<sup>11</sup> For text of proclamation, see p. 861.

his legal rights; no person shall be deprived of life, liberty or property without due process of law; criminal responsibility shall be determined only for offenses provided by laws; crimes 'by analogy' or 'sound popular instinct' were prohibited. The accused in criminal cases shall have 'the right to a speedy and public trial and to be informed of the nature and cause of the accusation'; sentences on persons convicted under the Hitler regime on political, racial or religious grounds 'must be quashed'; People's Courts were abolished and prohibited. This was soon followed by Law No. 4, signed 30 October, 1945,<sup>12</sup> establishing the structure of the German judicial system. By this law the following system of ordinary courts was re-established: *Amtsgerichte*, *Landgerichte*, *Oberlandesgerichte*, with defined jurisdiction. The principal feature of the law in its context in the German Judicial system was the omission of any provision for an appellate court higher than the land or state level. The Supreme Court of Germany was not reestablished. This Law No. 4 for the whole of Germany conformed in essentials to the judiciary plan which had been established in the U.S. zone.

On initiative of the United States, Law No. 5 was now cleared by the Legal Directorate and was enacted by the Control Council 30 October, 1945. This is the famous law entitled "Vesting and Marshalling of German External Assets", under which the four powers assumed control of all German assets abroad in aid of the elimination of German war potential.<sup>13</sup> Shortly thereafter came the law for the seizure of property owned by I.G. Farbenindustrie and the control thereof on a quadripartite basis, a matter which had already been accomplished in the U.S. zone. At this point I shall mention only two additional matters with which the lawyers dealt on a quadripartite basis during the earlier months of the meetings of the Legal Directorate. One was the promulgation by the Control Council of a comprehensive statement of principles for the administration of the German penal system, prepared by the Prisons Branch of the U.S. Legal Division. That Branch during the

earlier months of my work in Germany was headed by Mr. James V. Bennett, Director of the Federal Bureau of Prisons. He was succeeded by Mr. M. Alexander, who also went to Germany with us in July 1945, and remained after Mr. Bennett was obliged to return to his duties in the United States. The other is Control Council Law No. 10,<sup>14</sup> a comprehensive war crimes law enacted by the Control Council in December, largely the handiwork in its drafting of Mr. Herman Phleger of San Francisco, who was then also Associate Director of the Division. This law not only defined the substantive crimes against peace and humanity, and war crimes, in terms similar to the London agreement for the Nürnberg trials, but also contained full provisions for the handling of requests for accused war criminals and for trials other than those conducted under the Charter of the International Military Tribunal. Here it should be noted that while the Legal Division of the Office of Military Government was entirely separate from the staff of U.S. Chief of Counsel, Mr. Justice Jackson, and had no responsibility in the preparation or conduct of the great Nürnberg trial, we were called upon to aid in the planning and organization of the war crimes program other than the Nürnberg trial. This program was organizationally worked out in conferences with Mr. Justice Jackson, Brig. General Betts, then Theatre Judge Advocate, Brig. General Telford Taylor, and our staffs. The work now comes under the Office of Military Government and in immediate charge of the new U.S. Chief of Counsel for War Crimes. The Theatre Judge Advocate is continuing on his part the trial of a great many of the more orthodox types of war crimes, including a number of the crimes growing out of concentration camps. This is a part of the little-known story of the Theatre Judge Advocate of the Army, in his devotion to which Brig. General Betts gave his life in Germany after years of hard and faithful service.

The International Military Tribunal held its first session in Berlin, and our legal officers and personnel in the earlier weeks of the Tribunal's organization assisted it in its preliminary tasks, including the securing of counsel for a number of the defendants. Before leaving the subject of war crimes, I mention as of special interest now the

<sup>12</sup> For text of law, see p. 861.

<sup>13</sup> BULLETIN of Feb. 24, 1946, p. 283.

<sup>14</sup> For text of law, see p. 862.

provisions of the basic war crimes law (Control Council Law No. 10) dealing with membership cases. These provisions are available now as may be needed to effectuate the declaration of criminality in the Nürnberg judgment of certain categories of members of organizations, subject, I assume, to the recommendations contained in the judgment of the Tribunal regarding the degree of punishment of members. Mention should be made also of the elaborate revision of the discriminatory Hereditary Farm Law and of the Domestic Relations Laws and of the plans inaugurated by the Directorate for a more general reform of the German law.

The work of the Directorate saw a large area of agreement between the four nations. More important was the great area of agreement in the Coordinating Committee and the Control Council. It is well known that certain notable disagreements have persisted, especially regarding the treatment of Germany as an economic unit and related questions of reparations. Decisions of the Control Council are required to be unanimous. France was not a participant at Potsdam but is a member of the Control Council and an occupying power. She opposed the creation of certain central German administrative agencies called for under the Potsdam Protocol, upon which the United States firmly stood. The consequences of failure to obtain these agencies in the earlier months after Potsdam have not been fully remedied and tend toward zonal solidification. Nevertheless, the international cooperation is effective in innumerable respects. Agreement covers a wider and wider area as time and effort combine to that end and a fine working spirit has been maintained between the representatives of the four powers.

I shall pass now from the quadripartite legal work, thus very incompletely noted, and refer to some aspects of the lawyer's work within the United States zone.

The mandatory arrest categories of early directives soon presented a problem of considerable magnitude and importance in the zone. The Potsdam Protocol also provided that Nazi leaders, influential Nazi supporters, and high officials of Nazi organizations and institutions and any other persons dangerous to the occupation or its objectives

must be arrested and interned. Under the generally phrased description of "persons dangerous to the occupation", and under the previously existing directives in our zone devised before the occupation, many thousands of persons were arrested and interned. As the weeks and months passed it became apparent that many persons were being held who were not dangerous to the occupation, and were not wanted for trial as war criminals or other offenses. This was contrary to American principles. The problem, then, was to inaugurate procedures for release, governed by standards having relation to the purposes of the occupation. A system of review boards was created for this purpose which gradually became an effective instrument for remedying unnecessary internments. The release of many thousands of persons was thus accomplished. The situation may roughly be compared to the internment within the United States of enemy aliens upon the outbreak of the war, followed by the system of review of the cases to remedy injustices. In our zone in Germany, however, the number of detainees involved was far greater than the number of alien enemies ever interned in this country. These procedures were accompanied from time to time by revision of the arrest categories as experience taught the wisdom thereof. The review board system constituted an advance in progress toward a rule of law and procedures more consistent with our traditions.

A related problem was the difficult one of methods by which to carry out the policies of de-Nazification and demilitarization incorporated in U.S. directives and in the Potsdam Agreement. This was, so far as the direct human element is concerned, one of the most far-reaching and difficult of all the problems of the occupation, especially as regards the future effects of the occupation in Germany. The primary purpose is to remove the influence of Nazism from all significant aspects of German life; and to permit the development of a free society. The arrests were a part of the initial program; also removals from positions in governmental, teaching, important business, and other aspects of life, and prevention of resumption of such positions. Necessarily the first approach, prepared prior to actual occupation, was a sweeping and categorical approach

based on information then available and proceeding without much distinction between persons within named categories. As the occupation became stable, better organized, and secure, and as various aspects of de-Nazification continued to arise and recur, General Clay appointed a board of his four advisers (Political, Financial, Economic and Legal) with the Directors of the Divisions of Public Safety and Intelligence, to review the whole subject and recommend one comprehensive program, with the view also of ultimately placing responsibility upon German agencies as far as possible but with Military Government supervision as needed. The German Ministers in the U.S. zone, who had been selected and were then functioning, were also called upon for legislative recommendations. A thorough and painstaking study was made by our Board. The basic work was done by Lieutenant Colonel Robert Bowie and an executive staff working with him and the Board. The result of this work and that of the German Ministers was the enactment in our zone of a detailed German law which was approved by the Deputy Military Governor with the authority of the Military Governor on March 5, 1946. I am not able within this paper to describe it in detail, but note the following: Its procedural provisions would, I believe, stand the test of the due process clause of the Fifth Amendment. Its substantive provisions have regard for the principle that individual culpability varies according to the facts of cases, and that penalties must have regard to the degree of culpability. It was a further advance in the progress of a rule of law in the management of the occupation. Great responsibility in administration is vested by the law in German tribunals created under its terms and in other German officials. In this manner lasting good effects were deemed more likely to be accomplished. Military Government supervision was provided for in the instrument of approval. It is probable that this law, referred to by the International Military Tribunal in its recent judgment notwithstanding its zonal confines at that time, will play a very substantial part in the disposition of the cases of members of organizations declared criminal at Nürnberg. The basic principles of the law, I am advised, have been recently adopted

by the Control Council for application throughout Germany.

In our zone several other legislative enactments should be noted. The Frankfurt office was primarily responsible for a thorough revision of the Code of Criminal Procedure, and for the law for the control and ultimate disposition of the Wehrmacht properties. The Legal Division also participated actively in the studies and formulation of plans for the decisions to be made respecting the future structure of the German Government and the difficult problems of property control and disposition, claims, and restitution.

An extremely interesting part of the activities of the Division became its opinion work, which fell to the Legal Advice Branch of the Division. Mr. Alvin J. Rockwell, now Director of the Division, had charge of this Branch during most of my time as Director. It is now under Colonel John Raymond, who has returned to Germany after an interval at home. Questions were referred to us for opinion from the various agencies of Government. The opinions rendered were periodically digested. These digests and the full texts of the opinions were made available to all parts of the Office of Military Government. They cover a wide range, such as questions arising out of the Geneva conventions affecting prisoners of war; the legal relationship between the Potsdam Agreement and Joint Chiefs of Staff (U.S.) Directives; the legal consequences, as affects the authority of the Commanders in each of the four sectors in Berlin, of the fact that Berlin is in the Soviet zone of occupation; the status of certain German laws, and of treaties, under the conditions of the occupation; the status of horses as war booty or captured enemy property; the construction and proper application of the reparations provisions of the Potsdam Protocol; questions under the Trading With The Enemy Act. The flow of requests for opinions was steady, evidencing here the progression of a rule of law into the operations of Military Government under the quite unique circumstances of an occupation, after unconditional surrender, by four nations jointly and severally responsible for the government of a fifth and conquered country, and seeking to fulfil this responsibility in a manner which would eliminate the causes of the war and the in-

fluences of those who were responsible under the Hitler regime, and at the same time lay the foundations for the building of a peaceful community which would pursue the ideals of a democratic society.

No paper, however summary, on the legal work would be adequate without some mention of the burden borne by the legal officers in the zone communities and in our Berlin sector in manning and conducting the Military Government courts, and in the daily details of the assistance rendered by them to other branches of Military Government; or without mention of the work of the prison officers in the administration of the prisons, which was also a responsibility of the Legal Division, and the work done in connection with the German Patent Office in Berlin.

As time passed, the Legal Division was called upon increasingly to participate in the legislative

process beyond the area of its own special responsibilities. Governmental activities in the fields of taxation and other aspects of finance, and in problems of trade, labor, housing, and civil affairs, for example, as well as the activities, more specially those of the lawyer, enlisted the aid of the Legal Division and of the Legal Directorate. But I must end such a summary paper without attempting too much. When I left the work last May it was with a feeling of respect and admiration for the organization grouped around Lieutenant General Clay, who has been recently described appropriately as our great pro-consul in Berlin. Under him and General McNarney the task of carrying out American policy, and assisting in the formulation of that policy, tasks of the highest import, go forward with ability, devotion, and every success the circumstances permit.

## Control Council Proclamations and Laws

### CONTROL COUNCIL PROCLAMATION NO. 1

*To the People of Germany:*

The Commanders-in-Chief of the Armed Forces in Germany of the United States of America, the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, and the Provisional Government of the French Republic, acting jointly as members of the Control Council do hereby proclaim as follows:

#### I

As announced on 5 June 1945, supreme authority with respect to Germany has been assumed by the Governments of the United States of America, the Union of Soviet Socialist Republics, the United Kingdom, and the Provisional Government of the French Republic.

#### II

In virtue of the supreme authority and powers thus assumed by the four Governments the Control Council has been established and supreme authority in matters affecting Germany as a whole has been conferred upon the Control Council.

#### III

Any military laws, proclamations, orders, ordinances, notices, regulations, and directives issued by or under the authority of the respective Commanders-in-Chief for their respective Zones of Occupation are continued in force in their respective Zones of Occupation.

### CONTROL COUNCIL LAW NO. 1, REPEALING OF NAZI LAWS

*The Control Council enacts as follows:*

#### Article I

1. The following laws of a political or discriminatory nature upon which the Nazi regime rested are hereby expressly repealed, together with all supplementary and explanatory laws, ordinances and decrees:—

(a) Law concerning the Relief of Distress of the Nation and the Reich (*Gesetz zur Behebung der Not des Volkes und des Reiches*) of 24 March, 1933, RGBL. 1/41.

(b) Law for the reconstitution of Officialdom (*Gesetz zur Wiederherstellung des Berufsbeamtenstands*) of 7 April, 1933, RGBL. 1/175.

(c) Law for the amendment of the Provisions of Criminal Law and Procedure (*Gesetz zur Änderung von Vorschriften des Strafrechts und des Strafverfahrens*) of 24 April, 1934, RGBL. 1/341.

(d) Law for the Protection of National Symbols (*Gesetz zum Schutze der nationalen Symbole*) of 19 May, 1933, RGBL. 1/285.

(e) Law against the creation of Political Parties (*Gesetz gegen die Neubildung von Parteien*) of 14 July, 1933, RGBL. 1/479.

(f) Law on Plebiscites (*Gesetz über Volksabstimmung*) of 14 July, 1933, RGBL. 1/479.

(g) Law for securing the Unity of Party and State

(Gesetz zur Sicherung der Einheit von Partei und Staat) of 1 December, 1933, RGBL. 1/1016.

(h) Law concerning insidious attacks against the State and the Party and for the protection of the Party Uniform and insignia (*Gesetz gegen heimtückische Angriffe auf Staat und Partei und zum Schutz der Parteiuniform*) of 20 December, 1934, RGBL. 1/1269.

(j) Reich Flag Law (*Reichsflaggengesetz*) of 15 September, 1935, RGBL. 1/1145.

(k) Law for the protection of German Blood and German Honour (*Gesetz zum Schutze des deutschen Blutes und der deutschen Ehre*), of 15 September, 1935, RGBL. 1/1146.

(l) Reich Citizenship Law (*Reichsbürgergesetz*) of 15 September, 1935, RGBL. 1/1146.

(m) Prussian Law concerning the Gestapo (*Preussisches Gesetz über die Geheime Staatspolizei*) of 10 February, 1936, G. S. 21.

(n) Hitler Youth Law (*Gesetz über die Hitlerjugend*) of 1 December, 1936, RGEL. 1/993.

(o) Ordinance against support for the camouflaging of Jewish Businesses (*Verordnung gegen die Unterstützung der Tarnung Jüdischer Gewerbebetriebe*) of 22 April, 1938, RGBL. 1/404.

(p) Ordinance for the reporting of Property of Jews (*Verordnung über die Anmeldung des Vermögens von Juden*) of 26 April, 1938, RGBL. 1/414.

(q) Law concerning the alteration of the trade regulations for the Reich (*Gesetz zur Änderung der Gewerbeordnung für das deutsche Reich*) of 1 July, 1938, RGBL. 1/823.

(r) Second Carrying out Ordinance of the Law concerning the changing of Family Names and Christian Names (*Zweite Verordnung zur Durchführung des Gesetzes über die Änderung von Familiennamen und Vornamen*) of 17 August, 1938, RGBL. 1/1044.

(s) Ordinance concerning the Passports of Jews (*Verordnung über Reisepässe von Juden*) of 5 October, 1938, RGBL. 1/1342.

(t) Ordinance for the elimination of Jews from economic life (*Verordnung zur Ausschaltung der Juden aus dem deutschen Wirtschaftsleben*) of 12 November, 1938, RGBL. 1/1580.

(u) Police Ordinance concerning the appearance of Jews in Public (*Polizeiverordnung über das Auftreten der Juden in der Öffentlichkeit*) of 28 November, 1938, RGBL. 1/1676.

(v) Ordinance concerning proof of German Descent (*Verordnung über den Nachweis deutschblutiger Abstammung*) of 1 August, 1940, RGBL. 1/1063.

(w) Police Ordinance concerning the marking of Jews (*Polizeiverordnung über die Kennzeichnung der Juden*) of 1 September, 1941, RGBL. 1/547.

(x) Ordinance concerning the employment of Jews (*Verordnung über die Beschäftigung von Juden*) of 31 October, 1941, RGBL. 1/675.

(y) Decree of the Fuehrer concerning the legal status of the NSDAP (*Erlaß des Fuehrers über die Rechtsstellung der NSDAP*) of 12 December, 1942, RGBL. 1/733.

(z) Police Ordinance concerning the identification of male and female workers from the East on Reich Territory (*Polizeiverordnung über die Kenntlichmachung der im Reich befindlichen Ostarbeiter und Arbeiterinnen*) of 19 June, 1944, RGBL. 1/147.

2. The abrogation of the above mentioned laws does not revive any law enacted subsequent to 30 January, 1933, which was thereby repealed.

#### Article II

No German enactment, however or whenever enacted, shall be applied judicially or administratively in any instance where such application would cause injustice or inequality, either (a) by favouring any person because of his connection with the National Socialist German Labour Party, its formations, affiliated associations, or supervised organizations, or (b) by discriminating against any person by reason of his race, nationality, religious beliefs, or opposition to the National Socialist German Labour Party or its doctrines.

#### Article III

Any person applying or attempting to apply any law repealed by this law will be liable to criminal prosecution. Done at Berlin 20 September 1945 (CONL/P(45)40)

#### CONTROL COUNCIL LAW NO. 2, PROVIDING FOR THE TERMINATION AND LIQUIDATION OF THE NAZI ORGANIZATIONS.

The Control Council enacts as follows:

#### Article I

1. The National Socialist German Labour Party, its formations, affiliated associations and supervised agencies, including para-military organizations and all other Nazi institutions established as instruments of party domination, are hereby abolished and declared illegal.

2. The Nazi organizations enumerated in the attached Appendix, or which may be added, are expressly abolished. [Not printed.]

3. The re-forming of any of the organizations named herein, whether under the same or different name, is forbidden.

#### Article II

All real estates, equipments, funds, accounts, records and other property of the organizations abolished by this law are confiscated. Confiscation is carried out by Military Commands; general directives concerning the distribution of the confiscated property are given by the Control Council.

#### Article III

Until such time as the property mentioned is actually placed under the control of the Military Commands all officers and other personnel, including administrative officials and others accountable for such property, are held personally responsible for taking any action necessary to preserve intact all such property and for complying with the orders of the Military Commands regarding such property.

## Article IV

Any person violating any provision of this law shall be liable to criminal prosecution.

Done at Berlin 10 October 1945 (CONL/P(45)44)

## CONTROL COUNCIL PROCLAMATION NO. 3, FUNDAMENTAL PRINCIPLES OF JUDICIAL REFORM

By the elimination of the Hitler tyranny by the Allied Powers the terrorist system of Nazi Courts has been liquidated. It is necessary to establish a new democratic judicial system based on the achievements of democracy, civilization and justice. The Control Council therefore proclaims the following fundamental principles of judicial reform which shall be applied throughout Germany.

I. *Equality before the Law*

All persons are equal before the law. No person, whatever his race, nationality or religion, shall be deprived of his legal rights.

II. *Guaranties of the Rights of the Accused*

1. No person shall be deprived of life, liberty or property without due process of law.

2. Criminal responsibility shall be determined only for offences provided by law.

3. Determination by any court of any crime "by analogy" or by so-called "sound popular instinct", as heretofore provided in the German Criminal Code, is prohibited.

4. In any criminal prosecution the accused shall have the rights recognized by democratic law, namely the right to a speedy and public trial and to be informed of the nature and cause of the accusation, the right to be confronted with witnesses in his favour and the right to have the assistance of counsel for his defence. Excessive or inhuman punishments or any not provided by law will not be inflicted.

5. Sentences on persons unjustly convicted under the Hitler Regime on political, racial or religious grounds must be quashed.

III. *Liquidation of Extraordinary Hitler Courts*

The People's Court, Courts of the NSDAP and Special Courts are abolished and their re-establishment prohibited.

IV. *Independence of the Judiciary*

1. Judges will be independent from executive control when exercising their functions and owe obedience only to the law.

2. Access to judicial functions will be open to all who accept democratic principles without account of their race, social origin or religion. The promotion of judges will be based solely on merit and legal qualifications.

## V.

Justice will be administered in Germany in accordance with the principles of this proclamation by a system of Ordinary German Courts.

Done at Berlin 20 October 1945

(CONL/P(45)48) (amended by CONL/M(45)9)

## CONTROL COUNCIL LAW NO. 4, REORGANIZATION OF THE GERMAN JUDICIAL SYSTEM

The Control Council, in accordance with its proclamation to the German people, dated 20 October 1945, deciding that the German judicial system must be reorganised on the basis of the principles of democracy, legality and equality before the law of the citizens, without distinction of race, nationality or religion, enacts as follows:

## Article I

Reorganisation of the German courts, will in principle, take place in conformity with the Law concerning the Structure of the Judiciary of 27 January 1877, Edition of 22 March 1924 (RGBI 1/299). The following system of ordinary courts is to be reestablished: Amtsgerichte, Landgerichte, and Oberlandesgerichte.

## Article II

The Jurisdiction of Amtsgerichte and Landgerichte in civil and criminal cases will in general be determined in conformity with the law in force on 30 January 1933; however, the civil jurisdiction of the Amtsgerichte will be extended to claim of a value not exceeding RM. 2000.

The Landgerichte will have appellate jurisdiction over decisions of the Amtsgerichte.

The Oberlandesgerichte will have no original jurisdiction but will have final appellate jurisdiction over the decisions of the Landgerichte in civil cases; they will have the right of review on question of law (Revision) over decisions of Amtsgerichte and Landgerichte in criminal cases as provided by law.

## Article III

Jurisdiction of German Courts shall extend to all cases both civil and criminal with the following exceptions:

(a) Criminal offenses committed against the Allied Occupation Forces;

(b) Criminal offenses committed by Nazis or any other persons against citizens of Allied nations and their property, as well as attempts directed towards the re-establishment of the Nazi regime, and the activity of the Nazi organisations;

(c) Criminal offenses involving military personnel of Allied Forces or citizens of Allied nations;

(d) Other selected civil and criminal cases withdrawn from the jurisdiction of German Courts, as directed by the Allied Military Command;

(e) When an offense committed is not of such a nature as to compromise the security of the Allied Forces, the Military Command may leave it to the jurisdiction of German Courts.

## Article IV

To effect the reorganization of the judicial system, all former members of the Nazi Party who have been more than nominal participants in its activities and all other

persons who directly followed the punitive practices of the Hitler regime must be dismissed from appointments as judges and prosecutors and will not be admitted to those appointments.

Article V

In carrying out this law, it is left to the discretion of the Military Command gradually to bring the jurisdiction of German courts into conformity with this law.

Article VI

This law will come into force from the date of its promulgation. The Military Commanders of Zones are charged with its execution.

Done at Berlin 30 October 1945 (CONL/P(45)50)

CONTROL COUNCIL LAW NO. 10, PUNISHMENT OF PERSONS GUILTY OF WAR CRIMES, CRIMES AGAINST PEACE AND AGAINST HUMANITY

In order to give effect to the terms of the Moscow Declaration of 30 October 1943 and the London Agreement of 8 August 1945, and the Charter issued pursuant thereto and in order to establish a uniform legal basis in Germany for the prosecution of war criminals and other similar offenders, other than those dealt with by the International Military Tribunal, the Control Council enacts as follows:

Article I

The Moscow Declaration of 30 October 1943 "Concerning Responsibility of Hitlerites for Committed Atrocities" and the London Agreement of 8 August 1945 "Concerning Prosecution and Punishment of Major War Criminals of the European Axis" are made integral parts of this Law. Adherence to the provisions of the London Agreement by any of the United Nations, as provided for in Article V of that Agreement, shall not entitle such Nation to participate or interfere in the operation of this Law within the Control Council area of authority in Germany.

Article II

1. Each of the following acts is recognized as a crime:

(a) *Crimes against Peace.* Initiation of invasions of other countries and wars of aggression in violation of international laws and treaties, including but not limited to planning, preparation, initiation or waging a war of aggression, or a war of violation of international treaties, agreements or assurances, or participation in a common plan or conspiracy for the accomplishment of any of the foregoing.

(b) *War Crimes.* Atrocities or offenses against persons or property constituting violations of the laws or customs of war, including but not limited to, murder, ill treatment or deportation to slave labour or for any other purpose, of civilian population from occupied territory, murder or ill treatment of prisoners of war or persons on the seas, killing of hostages, plunder of public or private property, wanton destruction of cities, towns or villages, or devastation not justified by military necessity.

(c) *Crimes against Humanity.* Atrocities and offenses, including but not limited to murder, extermination, enslavement, deportation, imprisonment, torture, rape, or other inhumane acts committed against any civilian population, or persecutions on political, racial or religious grounds whether or not in violation of the domestic laws of the country where perpetrated.

(d) Membership in categories of a criminal group or organization declared criminal by the International Military Tribunal.

2. Any person without regard to nationality or the capacity in which he acted, is deemed to have committed a crime as defined in paragraph 1 of this Article, if he (a) was a principal or (b) was an accessory to the commission of any such crime or ordered or abetted the same or (c) took a consenting part therein or (d) was connected with plans or enterprises involving its commission or (e) was a member of any organization or group connected with the commission of any such crime or (f) with reference to paragraph 1 (a), if he held a high political, civil or military (including General Staff) position in Germany or in one of its Allies, co-belligerents or satellites or held high position in the financial, industrial or economic life of any such country.

3. Any person found guilty of any of the Crimes above mentioned may upon conviction be punished as shall be determined by the tribunal to be just. Such punishment may consist of one or more of the following:

(a) Death.

(b) Imprisonment for life or a term of years, with or without hard labour.

(c) Fine, and imprisonment with or without hard labour, in lieu thereof.

(d) Forfeiture of property.

(e) Restitution of property wrongfully acquired.

(f) Deprivation of some or all civil rights.

Any property declared to be forfeited or the restitution of which is ordered by the Tribunal shall be delivered to the Control Council for Germany, which shall decide on its disposal.

4. (a) The official position of any person, whether as Head of State or as a responsible official in a Government Department, does not free him from responsibility for a crime or entitle him to mitigation of punishment.

(b) The fact that any person acted pursuant to the order of his Government or of a superior does not free him from responsibility for a crime, but may be considered in mitigation.

5. In any trial or prosecution for a crime herein referred to, the accused shall not be entitled to the benefits of any statute of limitation in respect of the period from 30 January 1933 to 1 July 1945, nor shall any immunity, pardon or amnesty granted under the Nazi regime be admitted as a bar to trial or punishment.

Article III

1. Each occupying authority, within its Zone of occupation,

(a) shall have the right to cause persons within such Zone suspected of having committed a crime, including those charged with crime by one of the United Nations, to be arrested and shall take under control the property, real and personal, owned or controlled by said persons, pending decisions as to its eventual disposition.

(b) shall report to the Legal Directorate the names of all suspected criminals, the reasons for and the places of their detention, if they are detained, and the names and location of witnesses.

(c) shall take appropriate measures to see that witnesses and evidence will be available when required.

(d) shall have the right to cause all persons so arrested and charged, and not delivered to another authority as herein provided, or released, to be brought to trial before an appropriate tribunal. Such tribunal may, in the case of crimes committed by persons of German citizenship or nationality, against other persons of German citizenship or nationality, or stateless persons, be a German Court, if authorized by the occupying authorities.

2. The tribunal by which persons charged with offenses hereunder shall be tried and the rules and procedure thereof shall be determined or designated by each Zone Commander for his respective Zone. Nothing herein is intended to, or shall impair or limit the jurisdiction or power of any court or tribunal now or hereafter established in any Zone by the Commander thereof, or of the International Military Tribunal established by the London Agreement of 8 August 1945.

3. Persons wanted for trial by an International Military Tribunal will not be tried without the consent of the Committee of Chief Prosecutors. Each Zone Commander will deliver such persons who are within his Zone to that committee upon request and will make witnesses and evidence available to it.

4. Persons known to be wanted for trial in another Zone or outside of Germany will not be tried prior to decision under Article IV unless the fact of their apprehension has been reported in accordance with Section 1 (b) of this Article, three months have elapsed thereafter, and no request for delivery of the type contemplated by Article IV has been received by the Zone Commander concerned.

5. The execution of death sentences may be deferred by not to exceed one month after the sentence has become final when the Zone Commander concerned has reason to believe that the testimony of those under sentence would be of value in the investigation and trial of crimes within or without his Zone.

6. Each Zone Commander will cause such effect to be given to the judgments of courts of competent jurisdiction, with respect to the property taken under his control pursuant hereto, as he may deem proper in the interest of justice.

#### Article IV

1. When any person in a Zone in Germany is alleged to have committed a crime, as defined in Article II, in a country other than Germany or in another Zone, the government of that nation or the Commander of the latter

Zone, as the case may be, may request the Commander of the Zone in which the person is located for his arrest and delivery for trial to the country or Zone in which the crime was committed. Such request for delivery shall be granted by the Commander receiving it unless he believes such person is wanted for trial or as a witness by an International Military Tribunal, or in Germany, or in a nation other than the one making the request, or the Commander is not satisfied that delivery should be made, in any of which cases he shall have the right to forward the said request to the Legal Directorate of the Allied Control Authority. A similar procedure shall apply to witnesses, material exhibits and other forms of evidence.

2. The Legal Directorate shall consider all requests referred to it, and shall determine the same in accordance with the following principles, its determination to be communicated to the Zone Commander.

(a) A person wanted for trial or as a witness by an International Military Tribunal shall not be delivered for trial or required to give evidence outside Germany, as the case may be, except upon approval by the Committee of Chief Prosecutors acting under the London Agreement of 8 August 1945.

(b) A person wanted for trial by several authorities (other than an International Military Tribunal) shall be disposed of in accordance with the following priorities:

(1) If wanted for trial in the Zone in which he is, he should not be delivered unless arrangements are made for his return after trial elsewhere;

(2) If wanted for trial in a Zone other than that in which he is, he should be delivered to that Zone in preference to delivery outside Germany unless arrangements are made for his return to that Zone after trial elsewhere;

(3) If wanted for trial outside Germany by two or more of the United Nations, of one of which he is a citizen, that one should have priority;

(4) If wanted for trial outside Germany by several countries, not all of which are United Nations, United Nations should have priority;

(5) If wanted for trial outside Germany by two or more of the United Nations, then, subject to Article IV 2 (b) (3) above, that which has the most serious charges against him, which are moreover supported by evidence, should have priority.

#### Article V

The delivery, under Article IV of this Law, of persons for trial shall be made on demands of the Governments or Zone Commanders in such a manner that the delivery of criminals to one jurisdiction will not become the means of defeating or unnecessarily delaying the carrying out of justice in another place. If within six months the delivered person has not been convicted by the Court of the Zone or country to which he has been delivered, then such person shall be returned upon demand of the Commander of the Zone where the person was located prior to delivery.

Done at Berlin 20 December 1945

(CONL/P(45)53)

## United States Policy on Status of Austria

[Released to the press October 28]

The Department of State considers that the visit to the United States of Dr. Karl Gruber, Foreign Minister of the Austrian Federal Republic, represents an appropriate occasion to reaffirm United States policy with respect to the status of Austria.<sup>1</sup>

During the period following the first World War, the United States Government steadily encouraged the development of a free and independent Austrian state based on democratic principles, and viewed with strong disapproval all Nazi attempts to force Austria into the German Reich. The attitude of the United States toward the military occupation of Austria by Germany and its formal incorporation in the German Reich in 1938 was guided by this consideration and by the well-established policy of the United States toward the acquisition of territory by force. While, as a practical matter, the United States was obliged in its effort to protect American interests to take cer-

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<sup>1</sup>Dr. Karl Gruber made a five-day informal visit to Washington from Oct. 25 to 29, where he was received by President Truman at the White House and participated in a series of conferences with officials of the Department of State.

On Oct. 25 Dr. Gruber met with Under Secretary of State Acheson to review the current Austrian situation and political problems of common interest to Austria and the United States. The Foreign Minister was informed that on Oct. 22 authorization was cabled to U.S. Military Headquarters in Austria to turn over \$5,000,000 worth of monetary gold, claimed to have been originally owned by the Austrian National Bank and subsequently seized by the German Reichsbank. This gold, which is now in U.S. custody in Salzburg, will be restored to the Austrian Government upon presentation of satisfactory evidence of former ownership.

On Oct. 28 Dr. Gruber met with Under Secretary of State for Economic Affairs, William L. Clayton, and the heads of the various economic offices and divisions of the Department of State to discuss economic questions of importance to Austria, including the ration level in Austria and post-UNRRA relief for Austria. Dr. Gruber was assured that the United States would do its utmost

to relieve the difficult situation in Austria. The discussion also covered financial questions, including the unfreezing of Austrian funds in the United States, which should commence directly upon the completion in Austria of certain preliminary technical steps.

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In his radio address on May 27, 1941 President Roosevelt referred repeatedly to the seizure of Austria, and described the Austrians as the first of a series of peoples enslaved by Hitler in his march of conquest.<sup>2</sup> Secretary Hull stated at a press conference on July 27, 1942 that "this Government has never taken the position that Austria was legally absorbed into the German Reich".<sup>3</sup> In various wartime administrative measures in the United States, such as the freezing of assets, Selective Service, and registration of aliens, Austrian nationals were included in a separate category from the German or were assimilated to the nationals of countries which Germany seized or occupied by force.

to relieve the difficult situation in Austria. The discussion also covered financial questions, including the unfreezing of Austrian funds in the United States, which should commence directly upon the completion in Austria of certain preliminary technical steps.

On Oct. 29 Dr. Gruber met with Assistant Secretary Hilldring to consider various questions relating to political and economic problems in Austria. Dr. Gruber pointed out the political disadvantage of having within the frontiers of Austria a large group of displaced persons which represent in numbers about 10 percent of the Austrian population. General Hilldring promised the assistance of this Government in solving this problem as expeditiously as possible. Other matters discussed were the restoration of Danube barge traffic which is of vital importance to the economy of Austria and the operation of the United States section of the Allied Commission and its relations to the United States Government. Dr. Gruber was most appreciative of the assistance which General Clark and his personnel are rendering to Austria in the establishment of that country as a free and independent democracy.

<sup>2</sup> BULLETIN of May 31, 1941, p. 648.

<sup>3</sup> BULLETIN of Aug. 1, 1942, p. 660.

United States Government believes that the international acts mentioned above are adequate reason for all members of the United Nations to regard Austria as a liberated country.

## Ninety Surplus Planes Sold to Sweden

A Department spokesman said on October 24 that the authorization for the sale of 90 surplus P-51 Mustang fighter planes to the Government of Sweden was given at the request of that Government, due to the fact that these planes were needed in part to replace and furnish spare parts for 50 P-51's sold to the Swedish Government in July 1945 by the U.S. Commercial Co. Therefore the sale may be properly viewed as the completion of an earlier sale.

The planes involved in both transactions were in need of repairs and the first group is now largely worn out, so that it is understood that the second group of 90 planes, also in need of repair, will necessarily be used to a great extent for cannibalization and replacement purposes.

In making the 1945 sale and the present one, the Government of the United States recognized the fact that Sweden rendered valuable services to the United States during the war in returning the American air crews forced down in that country, and in other wartime services. In addition, the United States requisitioned at the start of the war several hundred Seversky fighter planes being built in the United States under contract for the Swedish Government, and although the Government of Sweden was fully compensated finally for the loss, the action naturally hindered the development of the Swedish air forces at that critical period and placed some moral obligation on the United States to rectify when possible the embarrassment to Sweden.

<sup>1</sup> BULLETIN of Nov. 6, 1943, p. 310. See also BULLETIN of Nov. 20, 1943, p. 344.

<sup>2</sup> BULLETIN of Oct. 21, 1945, p. 612. See also BULLETIN of Oct. 28, 1945, p. 665.

<sup>3</sup> BULLETIN of Jan. 20, 1946, p. 81.

<sup>4</sup> BULLETIN of July 28, 1946, p. 175.

The United States has accordingly regarded Austria as a country liberated from forcible domination by Nazi Germany, and not as an ex-enemy state or a state at war with the United States during the second World War. The Department of State believes that this view has received diplomatic recognition through the Moscow Declaration on Austria<sup>1</sup> and the Declaration issued at Algiers on November 16, 1943 by the French Committee of National Liberation concerning the independence of Austria. In accordance with the objectives set forth in the Moscow Declaration to see reestablished a free and independent Austria, an Austrian Government was formed after free elections were held on November 25, 1945.<sup>2</sup> This Austrian Government was recognized by the four powers represented on the Allied Council, as announced simultaneously on January 7, 1946 in Vienna and the capitals of these states.<sup>3</sup> In its meeting of April 25, 1946 the Allied Council, moreover, considered a statement of the United States Government's policy in Austria made by General Mark Clark, and expressed its general agreement with section I, "Status of Austria", in which the United States maintained that since Austria had been liberated from Nazi domination it should be treated as a liberated area.

In the opinion of the Department of State, the judgment of the International Military Tribunal rendered at Nürnberg on September 30-October 1, 1946 gave further international confirmation to this view of Austria's status by defining the invasion of that country as an aggressive act—"a premeditated aggressive step in furthering the plan to wage aggressive wars against other countries". The Nürnberg judgment also states that "Austria was in fact seized by Germany in the month of March 1938".

In order to clarify the attitude of the United States Government in this matter, the United States Government recognizes Austria for all purposes, including legal and administrative, as a liberated country comparable in status to other liberated areas and entitled to the same treatment, subject only to the controls reserved to the occupying powers in the new agreement on control machinery in Austria of June 28, 1946.<sup>4</sup> The

## Treaty of Friendship, Commerce and Navigation With China

[Released to the press November 4]

A treaty of friendship, commerce, and navigation between the United States of America and the Republic of China was signed at Nanking on November 2.<sup>1</sup>

This is the first post-war comprehensive commercial treaty to be signed by either Government. In 1844 the United States and China signed their first treaty of peace, amity, and commerce. That treaty, as supplemented and modified by a number of subsequent treaties and agreements, has constituted the basis of American-Chinese relations throughout a century of cordial friendship between the two countries. Developments in recent years, particularly the relinquishment by this country and by other countries of extraterritorial rights in China, and changes in economic and commercial practices, have led both Governments to desire to conclude a modern, comprehensive treaty of friendship, commerce, and navigation, one which is based in general on the principle of mutuality and which more adequately meets the needs of present day international relationships, in replacement of earlier treaties relating to these matters.

The treaty is somewhat broader in scope than existing United States commercial treaties with respect to the rights for corporations, and includes articles relating to establishment, land holding, and industrial and literary property, commercial articles similar in principle to the general provisions of recent trade agreements, and more detailed coverage of exchange control, the activities of government monopolies, and other matters.

This treaty will supersede existing treaties between the United States and China relating to establishment, commerce, and navigation, but will not limit or restrict the rights, privileges, and advantages accorded by the treaty for the relinquishment of extraterritorial rights in China and the regulation of related matters and accompanying exchange of notes between the two countries signed at Washington on January 11, 1943.

<sup>1</sup>For text of treaty, see Department of State press release 733 of Nov. 4, 1946.

<sup>2</sup>Treaty Series 978.

The treaty is to be submitted to the Senate and to the Legislative Yuan for approval and will enter into force on the day of the exchange of ratifications.

The treaty was signed at Nanking at 4:00 p. m. standard Nanking time for the United States of America by J. Leighton Stuart, Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of China, and Robert Lacy Smyth, Special Commissioner and Consul General of the United States of America at Tientsin; and for the Republic of China by Dr. Wang Shih-Chieh, Minister for Foreign Affairs of the Republic of China, and Dr. Wang Hua-Cheng, Director of the Treaty Department of the Ministry of Foreign Affairs of the Republic of China.

## Inter-American Indian Institute

### Venezuela

The Mexican Ambassador has informed the Secretary of State of the receipt by the Mexican Ministry of Foreign Affairs of the notice of adherence of Venezuela to the Convention Providing for the Creation of an Inter-American Indian Institute,<sup>2</sup> opened for signature at Mexico City from November 1 to December 31, 1940. The notice of adherence was deposited August 8, 1946.

## Air Base Returned to Peru

[Released to the press October 27]

The United States Government has concluded arrangements with the Peruvian Government for transfer to the latter of the El Pato Air Base at Talara, Peru, implementing the termination clause of the agreement signed by the two Governments on April 24, 1942. The work of the Joint Inventory Commission having been completed, the date of the transfer of the base to Peru has been fixed for October 29, 1946.

The American Ambassador to Peru, Prentice Cooper, representing the United States Government, and the Peruvian Minister of Aeronautics, Enrique Gongora, representing the Government of Peru, will be present at the delivery ceremony, which will take place at the base.

# Anglo-American Oil Policy: Basis of Multilateral Trade

BY CHARLES RAYNER<sup>1</sup>

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I should like to begin with a discussion of three specific points, because I feel that much of the confusion which has existed about the proposed Anglo-American oil agreement, concerning which I shall have something to say later on in my address, arises from a misconception concerning them.<sup>2</sup>

These three points have to do specifically with the following problems:

(1) our petroleum import policy in its relationship to the maximum efficient rate of production from domestic reserves

(2) the observance of concession contracts granted by foreign powers to American nationals

(3) the extent, if any, of governmental control over the petroleum industry as contemplated both by the Anglo-American oil agreement and by its possible expansion to a multilateral basis.

In a broadcast on August 17,<sup>3</sup> in which I participated, an estimate was made that in 20 years' time, consumption figures in the United States might be in the neighborhood of 6½ million barrels a day, with production on the basis of present trends not more than approximately 3½ million barrels a day. The difference, it was assumed, might have to be imported. The statement that this country was faced with the possibility based upon a continuation of present known trends in the industry, of being forced in 20 years' time to import some 3 million barrels of oil a day to satisfy its prospective consumption demand, has given rise to much opposition by some members of the oil industry. The Government officials taking part in the broadcast were accused of again raising the old bogey of an "oil scarcity".

Well, let's look at some of the facts and bear in mind that this discussion refers only to natural petroleum and excludes the possibilities in shale and synthetic oils. A projection of the gradual yearly increase in consumption demand over the

past 15 or 20 years, if continued for the next 20 years or until 1965, would indicate a domestic consumption demand of between 6½ and 7 million barrels a day. It would mean that to maintain the present quantity of reserves, an average of new discoveries amounting to 2 billion barrels a year or 40 billion barrels for the period would be required. Yet, in spite of a substantial increase in the past 8 to 10 years in the number of exploratory holes drilled (from 2630 in 1938 to 5280 in 1945), there has been a steady decline in the new reserves discovered which, if projected to 1965, would approximate a maximum efficient rate of production of something in the neighborhood of 3½ to 4 million barrels of oil a day. These facts and data on prospective consumption and production are not new to the industry. They have been stated by members of the industry itself upon a number of occasions. The net result based on present known trends is a widening gap which in 20 years' time would approximate 3 million barrels of oil a day which presumably would have to be bridged by importations. One more fact—at the beginning of the war a reserve of crude producing capacity had been established amounting to about 1,200,000 barrels a day. At present rates we are today producing about 200,000 barrels a day over the maximum efficient rate. To quote William B. Heroy in this connection—"instead therefore of having a large excess of production capacity as at the beginning of the war, the country now has a substantial deficiency."

It is obvious that any projection for a 20-year period and any estimate of the supply-demand picture at the end of that period must be in its

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<sup>1</sup> Address made at the annual meeting of the Independent Petroleum Association of America at Ft. Worth, Texas, Oct. 29, 1946, and released to the press on the same date. Mr. Rayner is adviser on Petroleum Policy, Department of State.

<sup>2</sup> For text of agreement, see BULLETIN of Sept. 30, 1945, p. 481.

<sup>3</sup> Not printed.

very nature highly speculative and conjectural. Twenty years in the oil industry is a long time. Over two thirds of the oil fields now producing in the United States were undiscovered twenty years ago. Twenty years hence the same situation may possibly be true. But petroleum, in the recent war years, has increased so tremendously in importance as a prime commodity essential to our national safety and our economic security that your Government must of necessity give constant and continuing heed to the prospects indicated by present trends in the industry. The Government must, therefore, in the light of present facts, contemplate the probability that this country will become a net importer of oil on an increasingly larger scale. It was for the purpose of bringing that probability before its bearers that this phase of the domestic and foreign petroleum situation was discussed in the broadcast of August 17.

The question that concerns your Association chiefly, however, is: "What is to be our future import policy and can we rely upon it to safeguard the prosperity of our domestic industry?" That is a fair question and it is entitled to a clear and concise answer. Let me attempt to answer it.

1. It is essential to the national safety and the economic well-being of this country that your Government should provide every legitimate means leading to the healthy expansion and growth of the domestic oil industry so that the prospecting for and the finding of new oil reserves may be given added encouragement. Domestic oil production is our first line of defense and is therefore entitled to primary consideration.

2. Practices which tend to waste oil and gas resources should be terminated, and production should be limited as a maximum to that which can be produced under conditions consonant with good conservation practices.

3. In the event that the optimum rate of production for domestic petroleum does not meet domestic requirements, a legitimate place exists for imports in order to avoid the necessity either of artificial curtailment of demand or of uneconomic exploitation of our domestic reserves. In other words, imports of oil will, as a general principle, supplement and not replace domestic production, so that such imports will not create conditions

harmful to the continued progress and efficiency of the domestic industry.

4. The United States Government, in the light of present circumstances, will take every appropriate means to encourage, assist, and protect American nationals in the development of foreign oil reserves.

5. Lastly, it is the continued progress and prosperity of the American petroleum industry at home and abroad with all its ramifications and complexities that will be a prime concern of your Government as a means of protecting its national safety and its economic welfare.

The second point which I should like to discuss with you today is in connection with the sanctity of concession contracts. There has been no change in the State Department's position on this subject. It still upholds the principle enunciated in the Anglo-American oil agreement "That the Government of each country and the nationals thereof shall respect all valid concession contracts and lawfully acquired rights, and shall make no effort unilaterally to interfere directly or indirectly with such contracts or rights." I want to make this perfectly clear, as some misconception has developed recently on the part of some of the American oil companies. This principle was amplified somewhat in the recent broadcast. Concession contracts are usually granted for periods ranging from 50 to 75 years. Conditions which are present at the time the concession is granted may often change with the progress of economic and social advancement so that, after a period of years, dissatisfaction on the part either of the grantor or the concessionaire may creep in and gradually develop until some form of unilateral decisive action becomes inevitable. The history of the oil business abroad gives ample evidence of such occurrences. It was suggested in the broadcast that should such a dispute arise it would be well to have some tribunal before which both parties to the dispute could appear voluntarily and be heard so that the world would know the rights and wrongs of the case. Such action would be suggested at the inception of the difficulty so that the disagreement would not be permitted to fester until drastic action became the only solution. I find no inconsistency with this procedure in anything that was said in the recent broadcast.

The third point has to do with the extent of governmental control over the petroleum industry as envisioned in the Anglo-American oil agreement and in its possible expansion to a multilateral oil agreement. The former agreement, in the opinion of able counsel, is based upon voluntary compliance as specifically stated in Article VIb of the agreement itself, and nowhere is there either stated or implied any power of enforcement either in the terms of the agreement or in the function assigned to the International Petroleum Commission proposed thereunder. This point was discussed exhaustively with the representatives of the oil industry and their counsels during the rewriting of the original agreement. The wording was satisfactory to the industry as well as to the Government representatives of both the United States and Great Britain. I have been intimately connected with the negotiations from their inception and I can unhesitatingly assure you that there has been complete unanimity on this subject. Either the industry advisers or the negotiators would have seriously objected to the terms of the agreement if there had been any doubt on this point.

Now as to the multilateral agreement. It is to be presumed that it would be the natural outgrowth of the Anglo-American oil agreement since that agreement contemplates an expansion from the interim bilateral phase to a permanent multilateral agreement embracing all interested producing and consuming countries. It is true, however, that no such determination can be made until the agreement has received the approval of the Senate Foreign Relations Committee and is voted upon affirmatively by the Senate. On the other hand, as suggested in the broadcast, some sort of a multilateral agreement might possibly emanate from the United Nations, presumably from the Economic and Social Council. There is nothing in the charter of the Economic and Social Council that would prevent it from setting up a commission to handle petroleum. But, irrespective of the origin of such a commission, it is reasonable to assume that it or any other established international economic agency will be brought eventually into relationship with the United Nations. You may be assured that whatever course of action is eventually undertaken, this Government has never

contemplated giving more than advisory functions to any international body in the petroleum field created either under the Anglo-American oil agreement or under the United Nations.

I have spoken repeatedly today of the Anglo-American oil agreement and have emphasized that no provision in that agreement is to be construed as requiring either the Government or its nationals to comply with any report or proposal made by the International Petroleum Commission. I have emphasized that particular phase of the agreement advisedly, since there has been some misunderstanding on this point.

I should like to conclude by attempting to give to you some idea of the great contribution to peace and world-wide economic prosperity that I see in an international agreement on a commodity as vital and as volatile as oil. I feel that such an attempt is of particular interest to your association as leaders in an industry of which we as American oilmen can be truly proud.

I see in a broad international understanding on the conduct of the international trade in oil these advantages—all of which formed the background and are encompassed by the Anglo-American oil agreement.

1. It seems to me that such an agreement would provide for a cooperative approach to common problems, specifically for the establishment of a forum where technical and economic problems in the field of petroleum may be openly and frankly discussed by expert government representatives. In so doing it would provide for full and adequate government-industry collaboration and consultation.

2. Such an agreement would lay the foundation for negotiating a multilateral agreement based upon the acceptance by all the interested producing and consuming countries of fair and equitable principles as a means of promoting their national and economic well-being.

3. Such an agreement would tend to eliminate practices and arrangements restrictive to an expanding international trade in petroleum whether such harmful activities reflect governmental or private policy.

4. Such an agreement would embody a formal

recognition by the governments concerned of the principle of equal commercial opportunity and furthermore a recognition that when rights are acquired to explore for oil and to develop petroleum resources in any other country, the interests of such producing country should be safeguarded with a view to its economic advancement.

5. Such an agreement would assert a definite respect for valid concession contracts and other lawfully acquired rights and provide against molestation of such rights by either a country or its nationals; thus it should dissipate the atmosphere of suspicion and mistrust and create a new climate in which future petroleum problems may find fullest government-industry cooperation.

6. Lastly, and not the least in importance, such an agreement would provide the means through which difficulties which may arise in our international petroleum relations may be met and an attempt made to resolve them at their inception by free and open discussion by the parties at interest so that such difficulties may not be permitted to develop into issues of major proportions.

It is for these reasons then that I consider an international agreement on oil an extremely important step forward in our foreign relations. It will serve to bring about international good will and understanding in the field of vital commodity, one that has definitely become of major importance to our own national security and economic well-being as well as to that of other nations throughout the world. It will contribute largely to the attainment of peace and prosperity among nations through the promotion of cooperative understanding and through the elimination of the many causes of friction that have marred international relations in the past.

## Naval Mission Agreement With Colombia

[Released to the press October 14]

In conformity with the request of the Government of the Republic of Colombia there was signed on October 14, at 3:45 p.m., by Acting Secretary Acheson and Carlos Sanz de Santamaria, Ambassador Extraordinary and Plenipotentiary of Colombia to the United States of America, an

agreement providing for a United States naval mission to Colombia for the purpose of instruction of the personnel of the Colombian Navy.

The agreement is to continue in force for four years from the date of signature and may be extended beyond that period at the request of the Government of Colombia.

The provisions of the agreement are similar to those in agreements between the United States and other American republics providing for the detail of officers and enlisted men of the United States Army, Navy, or Marine Corps to advise the armed forces of those countries. The provisions relate to the duties, rank, and precedence of the personnel of the mission, the travel accommodations to be provided for the members of the mission and their families, the provision of suitable medical attention for the members of the mission and their families, and related matters.

## Nazi Conspiracy and Aggression, Volume V

The recent verdicts in the Nürnberg trials and the execution of the Nazi war criminals have caused a reawakening of interest in the documents which aided the war crimes prosecution in obtaining a just and legal verdict of guilty. These documents are being made available to the general public in a series of eight volumes, three of which (volumes III, IV, and V) have already been completed and are currently available at the office of the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. The eight-volume set is being sold for \$18, delivery being made of each volume as it comes off the press.

Volumes I and II, yet to be published, will offer explanatory material in essay form, giving background material and explaining the documents which appear in the latter six volumes of the series. The documents cover the methods used by the Nazi conspirators to gain control of Germany, their political purge, destruction of unions, slave labor and concentration camps, and the plans of aggression and destruction which launched the past war. A minimum of legal phraseology is used, since the series is intended primarily for the general public.

## Aid for American Veterans To Study Abroad

The Department of State and the Veterans Administration are cooperating in the policy of aiding American veteran students, who have the desire and aptitude to study abroad, under a program which it is expected will contribute greatly to the furtherance of the international understanding so vital to peace in the post-war world. According to the records of the Central Office of the Veterans Administration, Washington, D.C., more than 1,100 veterans who have indicated definite desire to study abroad have already received certificates of eligibility entitling them to educational benefits. In addition to this number, hundreds of other certificates of eligibility have been issued for education in foreign institutions by regional offices of the Veterans Administration throughout the country. In addition, approximately 350 students already have been successfully enrolled in foreign institutions. Veterans on the rolls are widely scattered, 41 institutions in 14 countries being represented.

A list comprising 903 foreign institutions at which veterans may study under the Servicemen's Readjustment Act (the "G. I. Bill") has been approved by the Veterans Administration. These approved institutions are located in 68 countries throughout the globe and include many of the world's leading universities, colleges, and professional schools, as well as art and music conservatories, technical schools, and other specialized institutions.<sup>1</sup>

Ranging from Reykjavik, Iceland, on the north, to Dunedin, New Zealand, on the south, the list includes, in addition to the renowned institutions which have long attracted American students to Europe, Latin America, and the Far East, many institutions in areas where few Americans have studied before, such as a university at Malta and an agricultural college on the island of Mauritius.

The list of approved institutions as it now stands is not a final one, since it is supplemented periodically upon request of veterans wishing to enrol for courses in institutions not already approved.

For example, an institution in Iceland was added at the request of a veteran who married an Icelandic girl while he was stationed in that country and who desired to return there to study the silversmith's trade.

The requests of veterans to attend certain institutions are always given careful consideration, and if there is any question regarding the status of the institution concerned, the Foreign Service establishments of the Department of State make necessary investigations and submit data for the consideration of the Veterans Administration.

Canada leads all other foreign countries in the number of approved institutions, the present total being 221. England has 141; France, 63; Italy, 52; Switzerland, 43; Australia, 27; China, 23; Mexico, 27; Scotland, 21; India, 19; Belgium, 15; Colombia, 13; and Denmark and Sweden, 12 each.

A veteran desiring to attend a foreign institution must first apply for benefits under the Servicemen's Readjustment Act. The Veterans Administration Form 1950, "Application for Education or Training", may be obtained from the Regional Veterans Administration office nearest the veteran's residence, from the Central Office of the Veterans Administration, Washington, D.C., or in foreign countries from the nearest diplomatic or consular office of the United States. This completed form together with a photostatic copy of the honorable discharge papers of the veteran must be returned to the office from which the Form 1950 was obtained. A Veterans Administration Form 1953, "Certificate of Eligibility and Entitlement", is then issued to the veteran. This form enables him to enrol in any institution approved by the Veterans Administration.

As soon as he has selected the institution which he desires to attend, the veteran should contact the institution and request acceptance therein. Not until he has been notified by the institution of his

<sup>1</sup> For list of the foreign institutions, see Department of State press release 769, Oct. 31, 1946.

acceptance should he arrange for his passport, visas, and transportation. It is not possible to obtain travel allowances as part of the veteran's benefits under the provisions of Public Law 346, known as the "G.I. Bill of Rights."

Immediately upon his enrolment in the institution, the veteran should submit his Form 1953 to the institution for endorsement. This endorsed form, together with a certified statement from an official of the institution giving information regarding the classification, course being pursued, whether part-time or full-time student, etc., will then be sent to the nearest American diplomatic or consular officer for transmittal via State Department channels to the Veterans Administration. This procedure must be completed before subsistence allowance may be authorized.

The educational benefits under the Servicemen's Readjustment Act, which include provision for tuition and fees up to \$500 for a regular school term and subsistence allowance of \$65 or \$90 per month, are open to qualified veterans who initiate their course of study not later than four years after the date of discharge or the termination of World War II, whichever is the later.

Veterans of World War II who desire to attend institutions in foreign countries under the provisions of the "G. I. Bill of Rights" are advised of the following limitations and problems:

1. Approval of institutions by the Veterans Administration does not indicate that it is currently possible for veterans to attend them in every case, because certain countries and institutions have found it impossible to accommodate foreign students during the immediate post-war period.

2. All veterans who desire to study abroad should bear in mind that they will likely encounter difficulties in connection with high costs of living which, together with restrictions preventing American students from taking part-time jobs while attending school, make it impossible in many foreign countries for the veteran's subsistence allowance (\$65 for a single veteran, or \$90 for a veteran with a dependent) to cover minimum expenses.

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<sup>1</sup> BULLETIN of Sept. 8, 1946, p. 464, and Oct. 13, 1946, p. 690.

3. Differences in scholastic standards pose another problem which confronts the veteran studying abroad. Some of the leading universities in Europe will not admit American students before they have completed two or more years of undergraduate study, and some insist on knowledge of a foreign language as a prerequisite to enrollment.

4. There are also to be considered differences in scholastic credits and classifications, which oftentimes render it difficult to transfer from American to foreign institutions, and vice versa.

5. Housing, food, and clothing shortages as well as other unfavorable post-war conditions in the occupied territories of Germany, Austria, Japan, and Korea, preclude the possibility of study in these areas on the part of American veterans or other citizens of the United States during the immediate future.

Veterans wishing to study abroad should request information on all such problems regarding the institution and the foreign country in which they are interested by addressing their inquiries to the Foreign Education Division of the Veterans Administration, Washington, D.C., if residing in the United States, or to the nearest diplomatic or consular office of the United States, if residing abroad.

## Coffee Request to Brazil Terminated

[Released to the press October 22]

The Department of State announced on October 22 that a note had been presented to the Brazilian Embassy in Washington withdrawing the request made on September 28, 1946, for 500,000 bags of coffee to be placed on the market in October 1946.<sup>1</sup>

This action was taken as the "Memorandum of Understanding between the Governments of Brazil and the United States of America concerning coffee prices and supplies" was terminated by the decontrol of coffee prices announced by the Office of Price Administration on October 17, 1946. The memorandum of understanding mentioned above was to endure until March 31, 1947 or as long as coffee was subject to price control, whichever was the shorter period.

## Recipients Under Cultural Cooperation Program

The Department of State announced on October 16 the awarding of grants-in-aid to three American educators under the program providing for the exchange of professors and technical experts between this country and the other American republics.

Frederick L. Adair, former professor of obstetrics and gynecology of the University of Chicago, and former chief of the medical staff of the Lying-in-Hospital of the University of Chicago, will lecture at the universities in Buenos Aires, Córdoba, Santa Fé, and La Plata. He has been invited by the Society of Obstetrics and Gynecology of Argentina as a special delegate to the Sixth Argentine Congress of Obstetrics and Gynecology and will deliver several lectures and mediate in the discussion of these subjects.

A. C. Howell, professor of English, University of North Carolina, will serve for a year as visiting professor of English and American literature at the National University of San Carlos, Guatemala.

Mark Hanna Watkins, professor of anthropology and sociology, Fisk University, Nashville, Tennessee, will spend a year in Guatemala to make a survey of the Indian language of Guatemala, under the technical direction of the National Indian Institute of Guatemala.

On October 18 the Department of State announced two additional grants-in-aid to Americans to lecture and teach in the American republics.

Albert L. Delisle, formerly assistant professor of biology, College of William and Mary, Williamsburg, Virginia, will serve as head of the department of botany at the National College of Agriculture, Medellín, Colombia. He will remain in Colombia for one year, teaching courses in general biology, elementary and advanced botany, plant taxonomy, and plant physiology.

Herman H. Henkle, director, processing department, Library of Congress, will confer with leading librarians of Guatemala, Venezuela, Brazil, Argentina, Uruguay, Chile, and Peru during the period from October 9 to November 18, 1946.

The Department of State on October 17 announced that Yeh Chien-yu, Chinese cartoonist

and artist, will spend a year in this country under the cultural-cooperation program. After a two-week tour of art centers and museums in California, Mr. Yeh arrived in Washington in October and is expected to spend one or two months visiting art centers and museums in the East.

## Non-Military Activities in Japan

Surmation no. 11 for the month of August, 1946 of non-military activities in Japan, consisting of information on political, economic, and social activities, was released to the press simultaneously by General Headquarters, Supreme Commander for Allied Powers, Tokyo, and by the War Department in Washington on October 20.

## THE DEPARTMENT

### Appointment of Officers

Warde M. Cameron as Executive Assistant, Office of Assistant Secretary for Occupied Areas, effective May 2, 1946.

Ernest A. Gross as Special Assistant, Office of Assistant Secretary for Occupied Areas, effective May 4, 1946.

Norman T. Ness as Director, Office of Financial and Development Policy, effective August 12, 1946.

Dallas W. Dort as Adviser on Relief and Rehabilitation, Office of Assistant Secretary for Economic Affairs, effective September 8, 1946.

Harlow J. Heneman as Special Assistant, Office of Assistant Secretary for Occupied Areas, effective September 25, 1946.

Clare H. Timberlake as Chief, Division of African Affairs, effective October 7, 1946.

Robert P. Terrill as Associate Chief, International Resources Division, effective October 20, 1946.

### Code of Federal Regulations, Title 22

#### AUTHORITY TO ACCEPT REPARATIONS PAYMENT<sup>1</sup>

§ 301.30 *Authority to accept reparations payment.* The Director of the Office of Economic Security Policy, under the general direction of the Assistant Secretary for Economic Affairs and in accordance with current general policies of the Department, shall be responsible for negotiating for and accepting on behalf of the United States

<sup>1</sup> 11 *Federal Register* 12609.

Government both property and funds allocated to the United States as reparations payments. The Director of the Office of Economic Security Policy, acting for the Department of State as the owning agency in case of physical property, will declare such property surplus, when appropriate, and make it available to the proper disposal agency subject to such special considerations as are contained in the international agreements under which such property is allocated to the United States. Funds received, either directly as reparations payments or as a result of sales of physical property, will be deposited in a special account in the United States Treasury. More specifically, the Director shall:

(a) Arrange, in cooperation with appropriate officials of the Department of Commerce, to establish and chair an Interdepartmental Advisory Committee on Reparations Property for the purpose of securing the advice and recommendations of other interested Government agencies.

(b) Receive data provided by the Allied Control Council (ACC) and the Inter-Allied Reparation Agency (IARA) with respect to properties which become available as reparations and transmit it to the secretariat of the Interdepartmental Advisory Committee for circularization to all interested United States agencies and business firms.

(c) Determine the properties to be sought for allocation to the United States as reparations on the basis of the recommendations of the Interdepartmental Advisory Committee, and conduct necessary correspondence with the Allied Control Council (ACC), Inter-Allied Reparation Agency (IARA), and such other agencies or governments as may be appropriate.

(R.S. 161, Pub. Law 584, 79th Cong.; 5 U.S.C. 22)

This regulation shall become effective immediately upon publication in the Federal Register.

[SEAL]

DEAN ACHESON,  
*Acting Secretary of State*

## Departmental Regulations

116.1 Office of the Legal Adviser (Le): (Effective 9-6-46)

1 FUNCTIONS. The functions of Le shall include:

A *Economic Affairs.*

1 Providing legal services for the Under Secretary for Economic Affairs, the Assistant Secretary for Economic Affairs and for the offices (other than the Office of Foreign Liquidation) under the direction of the Assistant Secretary for Economic Affairs, and economic matters otherwise arising in the Department.

B *Treaties and Other International Agreements.*

1 Collecting, compiling, and maintaining information pertaining to treaties and other international agreements.

2 Performing research and furnishing information and advice with respect to the provisions of such existing or proposed instruments.

3 Procedural matters, including the preparation of full powers, ratifications, proclamations, and protocols.

4 Matters related to the signing of ratifications, proclamations, and registration of treaties and other international agreements.

5 Custody of the original texts of treaties and other international agreements.

6 Typing and binding of the official (ribbon) copies of treaties, agreements, and so forth, prepared in the Department of State.

C *Public Affairs.* (Added 10-21-46)

1 Providing legal services for the Assistant Secretary for Public Affairs, and for the Offices and Divisions under the direction of the Assistant Secretary for Public Affairs.

## II ORGANIZATION.

A Assistant Legal Adviser for Economic Affairs.

B Assistant Legal Adviser for Special Legal and Public Affairs. (Added 10-21-46)

182.6 Advisory Committee on Voluntary Foreign Aid (VFA): (Effective 5-14-46)

## I FUNCTIONS.

A The Advisory Committee on Voluntary Foreign Aid (VFA) was established under authority of similar letters from the President to the Secretaries of State and Agriculture on May 14, 1946, "to tie together the Governmental and private programs in the field of foreign relief and to work with the Famine Emergency Committee and other interested agencies and groups"; and for the purpose of continuing the liaison advisory and consultative functions formerly performed by the President's War Relief Control Board terminated by Executive Order 9723 of May 14, 1946.

B The Committee exercises advisory functions to guide the public and agencies seeking support of the public, in the solicitation and appropriate and productive use of contributions for voluntary foreign aid, including projects of a related character, other than religious, and donated as expressions of the humanitarian interest of the American people in the welfare of the war-stricken people. To this end the Committee undertakes:

1 Liaison and consultation between appropriate Federal, international and other public authorities and private bodies of related interests to facilitate policies and procedures.

2 Appraisals abroad of foreign relief and other wants appropriate for American voluntary support, and of the evaluation of American voluntary operations.

3 Maintenance of a public record of the organization, programs, operations, receipts, and disbursements

voluntarily filed by agencies making appeals for foreign aid.

4 Evaluation of voluntary agency programs, budgets and operations, and correlation with related public programs in collaboration with appropriate public authorities and private bodies of interest.

C On matters concerning the foreign policy of the Government of the United States, the Committee will be aided by the Department of State.

I ORGANIZATION. The Advisory Committee is composed of private citizens appointed by the Secretary of State and the Secretary of Agriculture since much of the activity concerning foreign relief is now centered in the Departments of State and Agriculture. Representatives and observers of the Departments of State, War, Agriculture, Commerce, and Justice, and of the United Nations Relief and Rehabilitation Administration, the Intergovernmental Committee for Refugees, and the American Red Cross have been designated by the heads of these agencies to collaborate in the work of the Committee and to participate in its meetings for the consideration of matters of special interest.

II SECRETARIAT. The Secretariat shall serve the Advisory Committee and act at its direction in accomplishing the functions enumerated under paragraph I, and as follows:

A In order that the coordinating relationship with voluntary foreign relief agencies may be provided, and their programs integrated with public programs, as requested by the President, and the responsibility therefor discharged as effectively as possible, the Secretariat of the Advisory Committee, will maintain interdepartmental liaison with the Departments of State and Agriculture (including the Famine Emergency Committee), and in related matters with the Departments of War, Commerce, and Justice, and will work closely with the staffs of these and other Federal agencies, United Nations Relief and Rehabilitation Administration, the Intergovernmental Committee for Refugees, the American Red Cross, and private agencies, in the development of policies and procedures of mutual interest in the field of voluntary foreign aid.

B The Secretariat will assume responsibility for definitive action by the Advisory Committee on matters within its terms of reference, and will, in related matters which require policy determination or procedures outside of its competence, supply the appropriate agency with background information and recommendations.

C Offices and Divisions of the Department of State are requested to bring to the attention of the Secretariat any matters involving voluntary foreign aid which should receive the consideration of the Advisory Committee, including information and reports received from abroad, or extracts from general reports which have specific reference or application to voluntary foreign aid or relief. The

Secretariat shall be attached to the Department through the Division of International Labor, Social and Health Affairs (ILSH) which will provide such administrative services and facilities for the Secretariat as may be required by the Advisory Committee.

193.3 Institute of Inter-American Affairs (IIAA): (Effective 5-20-46)

I FUNCTIONS. The Institute was formed to aid and improve the health and general welfare of the peoples of the Western Hemisphere in collaboration with their governments; and is carrying out the cooperative program entered into under agreements with the other American republics in the fields of health and sanitation, and food supply. Through the facilities of the Institute, administrative and other general services are performed in the United States and in the other American republics for the Inter-American Educational Foundation, Inc. (IAEF), and for the Institute of Inter-American Transportation (IIAT), Precinradio, Inc. (PCR), and the Inter-American Navigation Corporation (IANC), these last three corporations being in process of liquidation.

II ORGANIZATION, MANAGEMENT, AND RELATION TO THE DEPARTMENT.

A The Institute is a membership corporation formed under the Laws of Delaware, and has no capital stock. The members are designated by the Secretary of State, and they in turn elect directors from their own number. The Secretary has designated as members of the Institute Assistant Secretaries Braden (Chairman), Benton, Clayton, and Russell, together with a representative from the Office of each of the above-named Assistant Secretaries, and two operating officials of the Institute. Each of the members has been made a director. The Executive Committee is composed of the President of the Institute and the representatives from the offices of the Assistant Secretaries.

B The Board of Directors has full management of the affairs and property of the Institute, and elects the officers of the corporation and approves the appointment of the division directors. The officers and division directors carry on the Institute's operations in accordance with the policies and resolutions of the directors. The Executive Committee acts on all policy matters between meetings of the Board. The Institute has its own administrative facilities, both in the United States and in the other American republics.

C Existing liaison relationships and communication channels between the Institute and offices of the Department have not been changed by the termination of the Office of Inter-American Affairs; all formal policy communications between the Department and the Institute clear through the office of the Assistant Secretary for American Republic Affairs.

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## Contributors

*Walter M. Rudolph*, author of "International Industrial Control of Quinine", is Chief of the Programs Section, Industry Branch, Division of International Resources, Office of International Trade Policy, Department of State. Mr. Rudolph was assisted in the research and organization of sections II and III of the article by Philip H. Blaisdell, formerly Divisional Assistant in the Programs Section.

*Perry N. Jester*, F.S.O., author of the article on the National War College, is an officer-trainee at the College. Mr. Jester was formerly Acting Chief of the Division of Training Services, Office of the Foreign Service, Department of State.

# The Department of State

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*November 17, 1946*



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# *The Department of State* bulletin

VOL. XV, No. 385 · PUBLICATION 2694

November 17, 1946

## *Contributors*

*Duncan Wall*, author of the article on the FAO Copenhagen Conference and the FAO Preparatory Commission, was Secretary to the American Delegation to the FAO Conference at Copenhagen. Mr. Wall is head of the Division of Foreign Information and Statistics, Office of Foreign Agricultural Relations, Department of Agriculture.

*Stephen Latchford*, author of the article on private international air law, is Aviation Adviser, Aviation Division, Office of Transport and Communications, Department of State, and chairman of the United States section of CITEJA. Mr. Latchford was an adviser to the United States delegation to the First Interim Assembly of PICAQ held at Montreal in May and June 1946.

*J. Paul Barringer*, author of the article on the recent PICAQ Conference on North Atlantic Ocean Weather Observation Stations, is Assistant Chief, Aviation Division, Office of Transport and Communications, Department of State, and he was American delegate to the PICAQ conference.

*George A. Morlock*, author of the article on control of dangerous drugs, is Chief of the Narcotics Section, Division of International Labor, Social and Health Affairs, Office of International Trade Policy, Department of State.

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Published with the approval of the  
Director of the Bureau of the Budget

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, 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.*

## PRIVATE INTERNATIONAL AIR LAW DEVELOPMENTS

by *Stephen Latchford*

*The principal topics discussed by the International Technical Committee of Aerial Legal Experts in July 1946 were as follows: air-carrier liability for damages to persons and property; recordation of title to aircraft and aircraft mortgages; and legal status of aircraft personnel and commander. This article explains views of the United States Government on merging of CITEJA activities into functions of the committee on international air law provided for by the First Assembly of PICA0.*

The First, Third, and Fourth Commissions of CITEJA met in Paris in July 1946. The purpose of these CITEJA<sup>1</sup> meetings was to make preparations for the sessions of CITEJA held in Cairo, Egypt, in November 1946. The CITEJA commissions met at Cairo beginning on November 6, and the fifteenth plenary session of CITEJA began on November 14 and was scheduled to last until November 19. The following countries were represented at the July 1946 sessions in Paris: United States, Belgium, Egypt, Finland, France, United Kingdom, Greece, Hungary, Italy, Netherlands, Switzerland, and Czechoslovakia. In addition to the president of the CITEJA, J. P. Niboyet, and the secretary general, Edmond Sudre, there was a total of 28 representatives of the countries listed.

The following persons attended the CITEJA sessions in July as observers: Albert Roper, who is at present the secretary general of both the Provisional International Civil Aviation Organization (PICA0)—provided for in the interim agreement on international civil aviation adopted at Chicago on December 7, 1944—and of the International Commission for Air Navigation (ICAN)—functioning under the international convention for the regulation of aerial navigation adopted at Paris on October 13, 1919; and Eugene Pepin, chief of the Legal Studies Section of the Air Transport Bureau of the secretariat of PICA0.

<sup>1</sup> Comité International Technique d'Experts Juridiques Aériens, an international drafting committee composed of air-law experts.

The United States delegation at the sessions of CITEJA in July of this year consisted of Arnold W. Knauth of the Department of Justice, specialist in shipping and aviation law; J. Brooks B. Parker of Philadelphia, specialist in insurance matters, and Paul Reiber of the Air Transport Association of America.

At the July 1946 sessions the First Commission of CITEJA had under consideration a proposed international convention on the recordation of title to aircraft and aircraft mortgages, the purpose of which is to facilitate dealing in and financing of aircraft engaged in international air navigation. In 1931 the CITEJA adopted provisionally two separate draft conventions, one dealing with the recordation of title to aircraft and the other with aircraft mortgages. After the Chicago civil aviation conference of 1944 was held, the Government of the United States made inquiries of various governments as to whether they would authorize signature in Washington of two conventions, one relating to the recordation of title to aircraft and the other to aircraft mortgages. The drafts circulated by the Government of the United States contained a few suggested modifications of the CITEJA 1931 drafts. However, no definite action was taken in the matter of signing the two drafts proposed by this Government. At its fourteenth plenary session held in Paris in January 1946, the CITEJA decided to transmit its two 1931 drafts to the PICAQ for consideration by the First Interim Assembly of PICAQ, which met at Montreal in May 1946.<sup>2</sup>

During the sessions of the legal commission of the First Interim Assembly at Montreal a number of difficulties arose in the matter of endeavoring to reconcile conflicting principles of national laws concerning the form and effect of aircraft mort-

gages. The legal commission prepared the text of a combined draft convention dealing with the recordation of title to aircraft and aircraft mortgages, after having given consideration to the two CITEJA 1931 drafts and the modifications thereof which had been suggested by the Government of the United States and by the representatives of other governments. The Assembly adopted a resolution requesting the various governments, the CITEJA, and other interested parties, to submit comments on this combined draft to the Interim Council of PICAQ by January 1, 1947. It is understood that these comments will be considered by the Interim Council with a view to preparing a report on the problems involved for submission to the Second Assembly.

Briefly, the proposed convention on recordation of title and aircraft mortgages as developed at Montreal provides for the recording by each contracting state in a national aircraft property record of title to aircraft, and establishes the form and effect of aircraft mortgages and other similar encumbrances recorded in the aircraft property record, with a view to having such titles and mortgages accorded recognition in other contracting states. At its July 1946 sessions the CITEJA appointed reporters to make a study of the draft developed at Montreal, for the purpose of facilitating the taking of appropriate action thereon at the November 1946 sessions of CITEJA in Cairo, Egypt.

The First Commission of CITEJA also had under consideration in July 1946 a proposed convention dealing with the liability of air-transport operators in the event of aerial collisions. The CITEJA adopted a draft convention on this subject at its eleventh plenary session at Bern, Switzerland, in September 1936. This draft was submitted to the Fourth International Conference on Private International Air Law at Brussels in September 1938. The American delegation to the Brussels conference took the position that a convention on aerial collisions would be premature and that any definite action on the subject should be postponed until ample opportunity had been afforded to examine, in the light of experience, the many problems involved in aerial collisions and

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<sup>2</sup>Prior to the outbreak of the war, final action on CITEJA projects was taken at periodic international conferences on private international air law, but they are now submitted by CITEJA to the International Civil Aviation Organization at Montreal for consideration and possible final adoption and signature at the Assembly meetings of that Organization, in accordance with a resolution adopted by the Interim Council of PICAQ and agreed to by CITEJA.

their complex ramifications. The American delegation at Brussels submitted numerous proposals concerning the CITEJA draft convention for the consideration of the Brussels conference in the event that it should decide to take action on the CITEJA project. However, the conference at Brussels adopted a resolution referring the CITEJA draft back to CITEJA for further consideration along with the proposals on the draft submitted by several delegations at the Brussels conference.<sup>3</sup> The resolution stated that this action was taken because of the multiplicity of proposals on the CITEJA draft submitted at Brussels and the lack of time available to undertake a careful examination of the project. The CITEJA draft set forth the conditions under which operators of aircraft might claim a limitation of liability in the event of aerial collisions; provided for a method of apportioning damage awards between passengers and property, and of apportioning damages between the operators of collided aircraft in the event of concurrent negligence; and set forth the conditions under which the operators of collided aircraft would be liable for damages caused on the surface as the result of aerial collisions.

It is understood that while the experts attending the CITEJA sessions in July 1946 felt that some progress should be made in the development of a proposed convention on aerial collisions they did not feel that the matter was urgent. A number of the proposals made by the American delegation at Brussels in September 1938 were adopted at the CITEJA sessions in July 1946. As the result of the discussions in July of this year a new text was prepared by the reporter for this subject, for consideration at the CITEJA sessions in Cairo in November 1946.

The Second Commission of CITEJA, which met in Paris in July 1946, had under consideration the proposed revision of the convention for the unification of certain rules relating to international transportation by air, signed at Warsaw on October 12, 1929. This convention sets forth the conditions under which the air-transport operator will be liable for damages to persons and property in international transportation and permits the

operator to claim a limitation of his liability under the conditions set forth in the convention. The convention also contains detailed provisions as to the form and effect of air-transport documents consisting of passenger tickets, baggage checks, and air waybills. The United States and many other countries are parties to this convention.<sup>4</sup>

During the CITEJA sessions in Paris in January 1946 the Second Commission adopted a number of proposed amendments to the Warsaw convention, most of which were of a clarifying nature. The CITEJA referred its proposals to the PICAQ at Montreal for the consideration of the First Interim Assembly of PICAQ. The First Assembly adopted a resolution referring the CITEJA proposals back to CITEJA for further study with a view to considering the need of a more complete and extensive revision of the convention. One of the results of the discussion of the Warsaw convention by the CITEJA in July 1946 was the preparation of a questionnaire containing a number of questions to be answered by the CITEJA experts in order to aid the reporter for this subject in preparing a text for consideration by CITEJA at its sessions in Cairo in November 1946. The resolution of the First Interim Assembly regarding the Warsaw convention provides for a study by the Council of the International Civil Aviation Organization at Montreal of any proposals for the amendment of the convention that might be adopted by the CITEJA in Cairo in November 1946 and of any comments on the subject which the Interim Council of PICAQ may receive from interested governments and other sources, with a view to determining the extent to which the Council of the International Civil Aviation Organiza-

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<sup>3</sup> For a discussion regarding the action taken on the CITEJA draft at the Brussels conference, see report of the American Delegation to that conference (Department of State publication 1401, Conference Series 42, p. 16). For the text of the CITEJA draft which was before the Brussels conference, see the Report of the American Delegation to the Fourth International Conference on Private Air Law, p. 48. This was a diplomatic conference to which the various governments sent officially accredited delegates.

<sup>4</sup> Treaty Series 876.

tion may be disposed to submit proposals for the revision of the convention to the meeting of the Assembly of that organization in 1947.

At the July 1946 sessions of CITEJA the Fourth Commission had under consideration a proposed convention dealing with the legal status of the aircraft navigating personnel and of the aircraft commander. In 1931 the CITEJA adopted provisionally a proposed convention dealing with the legal status of the aircraft commander. Since that time, and over a period of several years, it has given consideration to the adoption of a proposed convention on the legal status of the aircraft navigating personnel. As directed by the CITEJA at its sessions in January 1946, the reporter prepared for consideration in July of this year a single text dealing with both the navigating personnel and the commander. The draft submitted by the reporter to the July 1946 sessions of the CITEJA so far as it related to the navigating personnel contained the basic principles regarding the form and effect of the contract of employment of the personnel and the conditions under which they would be entitled to repatriation, which had appeared in previous CITEJA drafts. The portions of the project submitted to the July sessions that dealt with the aircraft commander contained certain basic principles of the CITEJA 1931 draft which vested the commander with certain powers of safety, discipline, and authority on board the aircraft and set forth the conditions under which he could bind his principal in incurring necessary expenses for safeguarding the persons and property carried on the aircraft.

The general sentiment among the members of the United States section of the CITEJA at this time is to favor the development of a proposed convention dealing solely with the status of the aircraft commander. The United States members feel that the combined draft presented at the July 1946 sessions of CITEJA contains provisions regarding the contract of employment that might interfere with the freedom of contract between the members of the navigating personnel and the operators of aircraft. The members of the United States section are, therefore, in favor of having the CITEJA again deal with the general subject on the basis of two separate drafts, one relating

to the status of the navigating personnel and the other to the status of the commander of the aircraft, so as to facilitate the action of interested governments in becoming a party to one of the conventions but not the other, if they so desire. The CITEJA reporter who presented the combined draft at the July 1946 sessions of the CITEJA has indicated that he will present two separate drafts at the sessions of the CITEJA in Cairo in November of this year if the CITEJA then decides to have this done.

The discussions at the July 1946 sessions of the CITEJA were devoted chiefly to the projects of the First, Second, and Fourth Commissions described above. Other subjects on the agenda were as follows: relation between CITEJA and PICAQ; arbitration functions proposed for the CITEJA; aviation insurance; general average (similar to the maritime doctrine where there is an adjustment of voluntary sacrifices of property on board for the preservation of the vessel); hiring and chartering of aircraft; postal salvage; global or over-all limitation of liability (accumulation of liability of the aircraft operator where in a single instance the operator may be found to be liable for damages under two or more conventions); abandonment (similar to the maritime practice where a damaged vessel is abandoned by the owner for the benefit of creditors); authority of foreign judgments (involving the extent to which courts of the various countries would enforce foreign judgments obtained under the provisions of private air-law conventions); and tourist aviation (facilitation of tourist traffic by privately owned aircraft).

The questions which were on the agenda for the July 1946 sessions of the CITEJA have been given further consideration at the sessions of the CITEJA in Cairo in November 1946. The secretary general of CITEJA announced that the subjects which would be given priority for consideration when the CITEJA met in plenary session at Cairo on November 14, 1946 are: the relations between CITEJA and PICAQ; the revision of the Warsaw convention of 1929; the legal status of the aircraft navigating personnel and the commander of the aircraft; and the proposed convention relating to the recordation of title to aircraft and

aircraft mortgages. It is expected that any draft conventions adopted by CITEJA in plenary session at Cairo will be referred to the PICA0 for consideration at the next Assembly meeting of the International Civil Aviation Organization.

The relation between CITEJA and PICA0 is a matter of special importance in that it relates to Resolution XXXI of the First Interim Assembly at Montreal providing for the organization of a permanent committee on international air law to be established on the authority of the Assembly of the permanent International Civil Aviation Organization (ICAO) which will succeed the PICA0 and function under the terms of the convention on international civil aviation adopted at Chicago on December 7, 1944, after that convention comes into force. The text of Resolution XXXI of the First Interim Assembly is as follows:

**Means by which PICA0 should, in future, deal with legal problems**

*Resolved:*

1. That in setting up the Permanent Organization provision should be made for the establishment, on the authority of its Assembly, as part of the Permanent Organization, and responsible to the Council, of a Permanent Committee on International Air Law with the functions to:

(a) study and prepare draft conventions leading progressively to the unification of International Air Law;

(b) advise on questions relating to International Air Law submitted to it by the Permanent Organization;

(c) collect legislative, administrative and legal information concerning International Air Law and transmit this information to the Secretariat of the Permanent Organization for communication to member States.

2. That the date and method of establishment of the Legal Committee and its functioning be fixed by the Council after consultation with the Secretary General of the CITEJA, and that in the functioning of this Committee with respect to International Private Air Law matters, there shall be taken into account the experience of the

CITEJA in its formation, organization and its Secretariat in order that the advantages thereof may be preserved.

3. That any member State so desiring shall have the right to appoint one or more representatives on such Committee and that the member States whose nominees are now members of the CITEJA be requested to place at the disposal of such Committee the expert personnel previously made available by them to the CITEJA together with all reports in the course of preparation or study by such expert personnel.

4. That the CITEJA be invited to place at the disposal of the said Committee its records and archives and any secretarial staff suitable for employment by the Organization.

5. That the Interim Council undertake as soon as possible the necessary planning for the establishment of a Legal Committee in the Permanent Organization, and to that end that the Interim Council be authorized to consult with the Secretary General of the CITEJA.

6. That, in view of the above decisions, the Assembly consider that no action is required concerning the draft conventions mentioned under No. 2 (f), (g) and (h) of the Agenda of Commission No. 4.<sup>5</sup>

In connection with the November 1946 sessions of CITEJA, the Secretary General of CITEJA requested the CITEJA experts to obtain from their governments replies to three questions concerning the future status of CITEJA. These questions are as follows:

1. Does your government consider that, in conformity with the resolution adopted by the General Assembly of PICA0 on June 8, 1946, it is necessary to accept the transfer of the experts, reports, archives and personnel of the Secretariat

<sup>5</sup>“(f) CITEJA draft convention on the status of the CITEJA;

“(g) CITEJA draft convention on the interpretation by CITEJA of the conventions and rules on Private Air Law;

“(h) CITEJA draft convention entrusting CITEJA with the preparation of measures to implement conventions on Private Air Law.”

[NOTE. Commission No. 4 mentioned in paragraph 6 of Resolution XXXI of the First Interim Assembly was a commission dealing with legal questions and constituted a part of the organization of the First Interim Assembly.]

General of CITEJA to the committee to be "established on the authority of the General Assembly of PICAQ, as part of PICAQ, and responsible to the Council of PICAQ", which will be called the "Permanent Committee on International Air Law"?

2. Does your government consider that the conclusions which follow from the above-cited resolution as it was adopted by PICAQ are: the method of organization of the committee, of assembling, meeting and study, now in effect in the CITEJA, as well as the present staff, should be preserved by the "Permanent Committee on International Air Law"?

3. Given the very delimited and strictly defined field of activity laid down by the above-mentioned resolution for the Permanent Committee on International Air Law as follows:

(a) Preparation of draft international conventions on air law;

(b) Advice upon and answers to questions submitted by the PICAQ;

(c) Collection of legislative, legal and administrative documents concerning international air law;

does your government consider that, from the practical and political point of view, it would be more productive and financially less expensive to allow the CITEJA a certain functional autonomy and, consequently, to continue the headquarters of the CITEJA, thus transformed, at the place fixed by unanimous decision of the governments twenty years ago?

The reply of the Government of the United States to the three questions quoted above, as communicated to the Secretary General through the American Embassy at Paris and as covered in the instructions given by the Department of State to the chairman of the United States delegation to the CITEJA sessions in Cairo in November of this year, follows:

\* See article by Mr. Latchford entitled "Coordination of CITEJA With the New International Civil-Aviation Organizations", BULLETIN of Feb. 25, 1945, p. 310. See also articles by Mr. Latchford entitled "Private International Air Law", BULLETIN of Jan. 7, 1945, p. 11, and "Private International Air Law: 14th Plenary Session of CITEJA" (a description of CITEJA meetings held in Paris in January 1946), BULLETIN of May 19, 1946, p. 835.

"(1) So far as concerns the matter of the transfer of experts to the new Legal Committee, the attention of the Secretary General is invited to paragraph 3 of Resolution XXXI of the First Assembly of PICAQ from which it is believed to be clear that States members of the International Civil Aviation Organization will be free to appoint either CITEJA members on the new Legal Committee or to designate other experts. So far as concerns the transfer of CITEJA reports, archives, and personnel of the Secretariat General of CITEJA, it is assumed that this would be one of the details entering into the discussions between the Interim Council at Montreal and the Secretary General of CITEJA, as provided for in paragraph 5 of Resolution XXXI of the First Assembly of PICAQ. However, so far as concerns the Government of the United States, it would interpose no objection to such transfer. In connection with the reply to question 1, it is the understanding of the Government of the United States that it was contemplated by Resolution XXXI of the First Assembly of PICAQ that upon the organization of the new Legal Committee, in accordance with the terms of that resolution (pars. 2, 3 and 4), the CITEJA would as a consequence cease to exist.

"(2) The answer of the Government of the United States to question 2 is in the negative. The attention of the Secretary General of CITEJA is invited to paragraph 2 of Resolution XXXI of the First Assembly of PICAQ. While this paragraph contemplates that the experience of the CITEJA in its formation, organization and its Secretariat should be taken into consideration in the functioning of the new Legal Committee, it does not necessarily follow that the present organization of CITEJA would be continued within the framework of the new Legal Committee.

"(3) The answer of the Government of the United States to question 3 is in the negative. In setting forth this position, the Government of the United States feels that allowing a certain degree of autonomy to CITEJA would be inconsistent with the provisions of Resolution XXXI of the First Assembly of PICAQ providing for the setting up of a Legal Committee to deal with questions within the fields of both public and private international air law."<sup>6</sup>

# INTERNATIONAL CONTROL OF DANGEROUS DRUGS

## Preview of Commission on Narcotic Drugs

by George A. Morlock

*The Economic and Social Council of the United Nations has set up a Commission on Narcotic Drugs in order to provide machinery whereby full effect may be given to the international conventions relating to narcotic drugs and to provide for continuous review of and progress in the international control of such drugs.*

The first session of the Commission on Narcotic Drugs, established by the Economic and Social Council of the United Nations, is scheduled to be held at New York beginning November 27, 1946. It is expected that the representatives of 15 governments will be present to review the world situation regarding narcotic drugs and to report to the Economic and Social Council and the General Assembly of the United Nations on the fulfilment by the parties to the international drug conventions of their obligations under those conventions.<sup>1</sup> The United States has designated Harry J. Anslinger, Commissioner of Narcotics, Treasury Department, to serve in this capacity.

The Commission had its inception when the American Delegation to the United Nations Conference on International Organization at San Francisco in 1945 made the following declaration<sup>2</sup> in regard to the organization of international cooperation for the suppression of the abuse of narcotic drugs:

“ . . . Experience has shown that drug control raises issues which can best be met not by an international health, economic or social agency, but by the type of specialized agencies now functioning so successfully in this field. Everything pos-

sible should be done to safeguard the continued operation of these agencies and services.

“The United States Delegation wishes to go on record as hoping that the Organization will be entrusted with supervision over the execution of existing or future international agreements with regard to the control of the legitimate traffic in opium and other dangerous drugs, and the suppression of illicit traffic in and abuse of such drugs; that there shall be established an advisory body to advise directly the Economic and Social Council on these matters; and that the existing agencies be regarded as autonomous agencies to be related directly to the Economic and Social Council”.

<sup>1</sup> For article on “International Bodies for Narcotics Control”, by Philip M. Burnett, see BULLETIN of Oct. 14, 1945, p. 570. For article on “Limitation of the Production of Opium”, by Mr. Morlock, see BULLETIN of Dec. 10, 1944, p. 723. For subsequent exchange of notes between U.S. and Afghanistan concerning proposed convention to discuss world limitation of opium production, see BULLETIN of Dec. 10, 1944, p. 725; for similar exchange with Mexico, see BULLETIN of May 13, 1945, p. 911; with Turkey, see BULLETIN of July 8, 1945, p. 63; with Soviet Union, see BULLETIN of July 22, 1945, p. 129; with United Kingdom concerning India, see BULLETIN of Feb. 17, 1946, p. 237.

<sup>2</sup> Report to the President on the Results of the San Francisco Conference, p. 122.

The American Delegation was anxious to arrange for the continued functioning of the principal narcotics control bodies after the dissolution of the League of Nations: the Permanent Central Opium Board was established by the Geneva drug convention of 1925 to watch over and control the course of the legitimate trade in narcotic drugs; and the Drug Supervisory Body was established by the narcotics limitation convention of 1931 to draw up an annual statement of the requirements of all countries and territories for narcotic drugs. These bodies would normally continue to exist after the liquidation of the League provided they were brought into relation with the United Nations. The situation of the Advisory Committee on Traffic in Opium and Other Dangerous Drugs, however, was different. This Committee, usually referred to as the Opium Advisory Committee, was established by a resolution<sup>1</sup> of the Assembly of the League of Nations on December 15, 1920, for the purpose of exercising general supervision over the execution of existing and future narcotics conventions. It was, therefore, an organ of the League of Nations and would cease to exist simultaneously with the League. Although the United States never accepted full membership, it sent a representative to the sessions of the Committee after 1923, who served in an expert and in an advisory capacity. The United States regarded the work of the Committee as valuable and necessary to the control of the international traffic in narcotic drugs. The American Delegation was accordingly authorized to express the hope that there would be created an advisory body for assisting the Economic and Social Council on matters relating to narcotics.

The Opium Advisory Committee held 25 sessions, beginning in 1921 and ending in 1940. At each session important recommendations were made regarding the control of the legitimate traffic and the suppression of the illicit traffic. Listed below are some of the more outstanding accomplishments of the Committee:

1. It induced nearly all of the countries of the world not already party to the international drug convention signed at The Hague on January 23, 1912 to adhere to that convention.

<sup>1</sup> Assembly Document 240, Resolution No. 18, Dec. 15, 1920.

2. It urged the establishment of a control body and worked out an import-export certificate system to be applied to all imports and exports of opium and other narcotic drugs. Together they constitute the heart of the control machinery. These recommendations were incorporated into the international drug convention signed at Geneva on February 19, 1925.

3. It drew up a model code and recommended it to all countries of the world for their guidance in the preparation of narcotic laws and the development of control organizations.

4. It made studies concerning the problem of the limitation of the manufacture and the regulation of the distribution of narcotic drugs and recommended a control system based on estimates furnished by country requirements, which was incorporated into the narcotics limitation convention signed at Geneva on July 13, 1931.

5. It prepared the ground for the convention for the suppression of the illicit traffic in dangerous drugs which was signed at Geneva on June 26, 1936. This convention contains many important provisions relating to the prevention and punishment of illicit drug trafficking.

6. It prepared a draft of a convention for limiting the production of raw opium and made studies of the problem of limiting the production of other raw materials used in the manufacture of narcotic drugs.

The Permanent Central Opium Board and the Drug Supervisory Body were created also as a result of the recommendations of the Committee, and the countries of the world were requested to furnish estimates to the Board of their drug requirements and statistical reports on imports, exports, consumption, production, manufacture, stocks, and confiscations. In order to comply with the provisions of the conventions, countries found it advisable to improve and make uniform their laws governing the control of narcotic drugs. The Committee also drew up a form of annual report to be submitted by governments on the working of the narcotics limitation convention in their territories. Facts and figures are now available regarding the drug traffic where none existed before.

The Preparatory Commission of the United Nations, meeting in London in December 1945, in

order to arrange for the creation of a successor to the Opium Advisory Committee and to give full effect to the narcotic conventions, accepted a proposal presented by the Chinese Delegation, which recommended that the Economic and Social Council of the United Nations establish a Commission on Narcotic Drugs.<sup>1</sup>

On February 18, 1946 that proposed Commission was created by the Economic and Social Council, after adopting the following resolution,<sup>2</sup> which constitutes the terms of reference of the Commission:

1. The Economic and Social Council, in order to provide machinery whereby full effect may be given to the international conventions relating to narcotic drugs, and to provide for continuous review of and progress in the international control of such drugs, establishes a Commission on Narcotic Drugs.

2. The Commission shall:

(a) assist the Council in exercising such powers of supervision over the application of international conventions and agreements dealing with narcotic drugs as may be assumed by or conferred on the Council;

(b) carry out such functions entrusted to the League of Nations Advisory Committee on Traffic in Opium and other Dangerous Drugs by the international conventions on narcotic drugs as the Council may find necessary to assume and continue;

(c) advise the Council on all matters pertaining to the control of narcotic drugs, and prepare such draft international conventions as may be necessary;

(d) consider what changes may be required in the existing machinery for the international control of narcotic drugs and submit proposals thereon to the Council;

(e) perform such other functions relating to narcotic drugs as the Council may direct.

3. The Commission may make recommendations to the Council concerning any subcommission which it considers should be established.

4. The Commission shall be composed of fifteen Members of the United Nations, which are important producing or manufacturing countries or

countries in which illicit traffic in narcotic drugs constitutes a serious social problem. The term of office of members is three years. They are eligible for reappointment.

5. The Commission is authorized by the Council to appoint in a consultative capacity, and without the right to vote, representatives of bodies created under the terms of international conventions on narcotic drugs.

6. The Council requests the following Governments to designate one representative each to constitute the Commission: Canada, China, Egypt, France, India, Iran, Mexico, Netherlands, Peru, Poland, Turkey, United Kingdom, United States of America, Union of Soviet Socialist Republics, and Yugoslavia.

On the whole, the Commission on Narcotic Drugs is charged with functions similar to those exercised by the Opium Advisory Committee. It is composed of only 15 members, representing governments; the Opium Advisory Committee in 1939 had 24 members. The members of the present Commission have been chosen from countries which are members of the United Nations.

The members of the new Commission are representative of the producers, manufacturers, and consumers of narcotic drugs. India, Iran, Turkey, the Soviet Union, and Yugoslavia are large producers of opium. Peru and the Netherlands Indies produce coca leaves from which cocaine is extracted. Poland produces the opium poppy for direct conversion into morphine. The United Kingdom, the United States, the Soviet Union, France, and the Netherlands are important manufacturing countries. Canada, China, Egypt, and the United States are victims of the illicit traffic. Mexico is forced to combat considerable illicit production of opium.

Paragraph 5 of the terms of reference of the Commission, authorizing the appointment of consultants from among the members of the Permanent Central Opium Board and the Drug Supervisory Body, provides for a forward step. Because

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<sup>1</sup> Report of the Preparatory Commission of the United Nations, p. 38.

<sup>2</sup> Journal of the Economic and Social Council, no. 12, pp. 129-130.

of their familiarity with and close study of the movement of drugs and world requirements, these members will be able to give valuable advice concerning many phases of the drug traffic.

In accordance with paragraph 5 of the resolution adopted by the Economic and Social Council on February 16, 1946, the Commission will take action regarding the issuance of invitations to the Permanent Central Opium Board and the Drug Supervisory Body to name representatives to sit on the Commission without the privilege of voting. It may be expected that the Commission will appoint subcommittees to deal with the following subjects: agenda, illicit traffic, limitation of the opium poppy, coca leaves and Indian hemp, and drug addiction.

The countries which are now responsible for the reestablishment of narcotic controls in Germany, Japan, and Korea will probably be requested to report on the situation in the areas under their jurisdiction.

In compliance with the resolution<sup>1</sup> adopted by the Economic and Social Council on September 26, 1946, the Commission will give consideration to and advise the Council on the procedure to be followed in making future appointments to the Permanent Central Opium Board.

The subjects which will engage the Commission for many days are the analysis of the world narcotics situation, the problem of the prohibition of the non-medical use of narcotic drugs, and the illicit traffic.

The world narcotics situation, because of the continued functioning throughout the war of the drug-control bodies, is not so bad as was anticipated in 1939. The huge accumulations of raw opium then in storage in the producing countries have been almost entirely exhausted by the war-time demands by the military forces. At the present time production of opium in Turkey, the Soviet Union, and Yugoslavia—the principal sources of opium for conversion into alkaloids for medicinal and scientific purposes—is hardly sufficient to meet such requirements. Production in India is almost entirely consumed in India and Burma. Afghanistan in 1945 and Iran in 1946 have prohibited the cultivation of opium poppies. China

also prohibits the production of opium and is making strenuous efforts to enforce its laws. The planting of opium poppies has been prohibited in Japan and in the United States zone in Korea. Small quantities of opium continue to be produced in Siam and Burma. Considerable illicit cultivation of opium poppies is still carried on in Mexico. The planting of poppies for direct extraction of morphine from poppy straw continues in Central Europe, but such cultivation has undoubtedly declined since the termination of the war.

During the past two years important developments have taken place regarding the use of smoking opium. In 1945 and 1946 orders were issued closing the opium monopolies and suppressing the use of smoking opium in Hong Kong, Borneo, Singapore, and the Union of Malaya. The Colonial Government of Macao issued a proclamation closing all opium-smoking establishments and prohibiting all traffic in opium, effective June 26, 1946. On June 21, 1946 the Government of Iran published an order prohibiting the non-medical use of opium. The Federal Government of Indochina, on June 12, 1946, issued an ordinance prohibiting the use of opium and closing all opium shops and opium smoking dens.

The decreased production of opium and poppy straw and the prohibition of the use of smoking opium have had a far-reaching effect upon the illicit traffic. Large quantities of opium are no longer available for smuggling and use in the manufacture of smoking opium. Small quantities of opium, however, are constantly leaving the producing countries and are making their way into the illicit market in other countries. One of the most difficult tasks before the Commission on Narcotic Drugs is the study of the illicit traffic and the taking of measures to wipe it out completely.

It is expected that a majority of the members of the Commission on Narcotic Drugs will be represented by men experienced in the administration of narcotic laws. They will undoubtedly recommend practical measures that will make possible in the near future the eradication of the production of narcotic raw materials except for medical and scientific purposes. They will deserve and should receive the support of the people of the world.

<sup>1</sup> U.N. document E/168/Rev. 2, p. 4.

## THE UNITED NATIONS

### Draft Trusteeship Agreement for the Japanese Mandated Islands

#### STATEMENT BY PRESIDENT TRUMAN

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

The United States is prepared to place under trusteeship, with the United States as the administering authority, the Japanese Mandated Islands and any Japanese islands for which it assumes responsibilities as a result of the second World War. Insofar as the Japanese Mandated Islands are concerned, this Government is transmitting for information to the other members of the Security Council (Australia, Brazil, China, Egypt, France,

Mexico, the Netherlands, Poland, the Union of Soviet Socialist Republics, and the United Kingdom) and to New Zealand and the Philippines a draft of a strategic area trusteeship agreement which sets forth the terms upon which this Government is prepared to place those islands under trusteeship. At an early date we plan to submit this draft agreement formally to the Security Council for its approval.

#### TEXT OF DRAFT AGREEMENT <sup>1</sup>

[Released to the press November 6]

##### Preamble

WHEREAS Article 75 of the Charter of the United Nations provides for the establishment of an international trusteeship system for the administration and supervision of such territories as may be placed thereunder by subsequent agreements; and

WHEREAS under Article 77 of the said Charter the trusteeship system may be applied to territories now held under mandate; and

WHEREAS on December 17, 1920 the Council of the League of Nations confirmed a mandate for the former German islands north of the equator to Japan, to be administered in accordance with Article 22 of the Covenant of the League of Nations; and

WHEREAS Japan, as a result of the Second World War, has ceased to exercise any authority in these islands;

NOW, THEREFORE, the Security Council of the United Nations, having satisfied itself that the relevant articles of the Charter having been complied with, hereby resolves to approve the following terms of trusteeship for the Pacific Islands formerly under mandate to Japan.

##### Article 1

The Territory of the Pacific Islands, consisting of the islands formerly held by Japan under mandate in accord-

<sup>1</sup>This draft agreement for the Japanese Mandated Islands has been transmitted for information to the members of the Security Council of the United Nations and to New Zealand and the Philippines in accordance with President Truman's statement of Nov. 6, 1946.

ance with Article 22 of the Covenant of the League of Nations, is hereby designated as a strategic area and placed under the trusteeship system established in the Charter of the United Nations. The Territory of the Pacific Islands is hereinafter referred to as the trust territory.

**Article 2**

The United States of America is designated as the administering authority of the trust territory.

**Article 3**

The administering authority shall have full powers of administration, legislation, and jurisdiction over the territory subject to the provisions of this agreement as an integral part of the United States, and may apply to the trust territory, subject to any modifications which the administering authority may consider desirable, such of the laws of the United States as it may deem appropriate to local conditions and requirements.

**Article 4**

The administering authority, in discharging the obligations of trusteeship in the trust territory, shall act in accordance with the Charter of the United Nations, and the provisions of this agreement, and shall, as specified in Article 83 (2) of the Charter, apply the objectives of the international trusteeship system, as set forth in Article 76 of the Charter, to the people of the trust territory.

**Article 5**

In discharging its obligations under Article 76 (a) and Article 84, of the Charter, the administering authority shall ensure that the trust territory shall play its part, in accordance with the Charter of the United Nations, in the maintenance of international peace and security. To this end the administering authority shall be entitled:

(1) to establish naval, military and air bases and to erect fortifications in the trust territory;

(2) to station and employ armed forces in the territory; and

(3) to make use of volunteer forces, facilities and assistance from the trust territory in carrying out the obligations towards the Security Council undertaken in this regard by the administering authority, as well as for the local defense and the maintenance of law and order within the trust territory.

**Article 6**

In discharging its obligations under Article 76 (b) of the Charter, the administering authority shall:

(1) foster the development of such political institutions as are suited to the trust territory and shall promote the de-

velopment of the inhabitants of the trust territory toward self-government, and to this end shall give to the inhabitants of the trust territory a progressively increasing share in the administrative services in the territory; shall develop their participation in local government; shall give due recognition to the customs of the inhabitants in providing a system of law for the territory; and shall take other appropriate measures toward these ends;

(2) promote the economic advancement and self-sufficiency of the inhabitants and to this end shall regulate the use of natural resources; encourage the development of fisheries, agriculture, and industries; protect the inhabitants against the loss of their lands and resources; and improve the means of transportation and communication;

(3) promote the social advancement of the inhabitants, and to this end shall protect the rights and fundamental freedoms of all elements of the population without discrimination; protect the health of the inhabitants; control the traffic in arms and ammunition, opium and other dangerous drugs, and alcohol and other spiritous beverages; and institute such other regulations as may be necessary to protect the inhabitants against social abuses; and

(4) promote the educational advancement of the inhabitants, and to this end shall take steps toward the establishment of a general system of elementary education; facilitate the vocational and cultural advancement of the population; and shall encourage qualified students to pursue higher education, including training on the professional level.

**Article 7**

In discharging its obligations under Article 76 (c), of the Charter, the administering authority, subject only to the requirements of public order and security, shall guarantee to the inhabitants of the trust territory freedom of speech, of the press, and of assembly; freedom of conscience, of worship, and of religious teaching; and freedom of migration and movement.

**Article 8**

1. In discharging its obligations under Article 76 (d) of the Charter, as defined by Article 83 (2) of the Charter, the administering authority, subject to the requirements of security, and the obligation to promote the advancement of the inhabitants, shall accord to nationals of each Member of the United Nations and to companies and associations organized in conformity with the laws of such Member, treatment in the trust territory no less favorable than that accorded therein to nationals, companies and associations of any other United Nation, except the administering authority.

2. The administering authority shall ensure equal treatment to the Members of the United Nations and their nationals in the administration of justice.

3. Nothing in this Article shall be so construed as to accord traffic rights to aircraft flying into and out of the trust territory. Such rights shall be subject to agreement between the administering authority and the state whose nationality such aircraft possesses.

4. The administering authority may negotiate and conclude commercial and other treaties and agreements with Members of the United Nations and other states, designed to attain for the inhabitants of the trust territory treatment by the Members of the United Nations and other states no less favorable than that granted by them to the nationals of other states. The Security Council may recommend, or invite other organs of the United Nations to consider and recommend, what rights the inhabitants of the trust territory should acquire in consideration of the rights obtained by Members of the United Nations in the trust territory.

#### Article 9

The administering authority shall be entitled to constitute the trust territory into a customs, fiscal, or administrative union or federation with other territories under United States jurisdiction and to establish common services between such territories and the trust territory where such measures are not inconsistent with the basic objectives of the International Trusteeship System and with the terms of this agreement.

#### Article 10

The administering authority, acting under the provisions of Article 3 of this agreement, may accept membership in any regional advisory commission, regional authority, or technical organization, or other voluntary association of states, may cooperate with specialized international bodies, public or private, and may engage in other forms of international cooperation.

#### Article 11

1. The administering authority shall take the necessary steps to provide the status of citizenship of the trust territory for the inhabitants of the trust territory.

2. The administering authority shall afford diplomatic and consular protection to inhabitants of the trust territory when outside the territorial limits of the trust territory or of the territory of the administering authority.

#### Article 12

The administering authority shall enact such legislation as may be necessary to place the provisions of this agreement in effect in the trust territory.

#### Article 13

The provisions of Articles 87 and 88 of the Charter shall be applicable to the trust territory, provided that the administering authority may determine the extent of their applicability to any areas which may from time to time be specified by it as closed for security reasons.

#### Article 14

The administering authority undertakes to apply in the trust territory the provisions of any international conventions and recommendations which may be appropriate to the particular circumstances of the trust territory and which would be conducive to the achievement of the basic objectives of Article 6 of this agreement.

#### Article 15

The terms of the present agreement shall not be altered, amended or terminated without the consent of the administering authority.

#### Article 16

The present agreement shall come into force when approved by the Security Council of the United Nations and by the Government of the United States after due constitutional process.

## United States Members on ECOSOC Commissions

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

The President has appointed the following persons as the United States members of various commissions of the Economic and Social Council of the United Nations:

Isador Lubin, Economic and Employment Commission.  
Term—four years  
Edward F. Bartelt, Fiscal Commission. Term—two years

Anna Eleanor Roosevelt, Human Rights Commission.  
Term—four years  
Philip M. Hauser, Population Commission. Term—two years  
Stuart A. Rice, Statistical Commission. Term—two years  
Dorothy Kenyon, Commission on Status of Women.  
Term—three years  
Arthur J. Altmeyer, Social Commission. Term—two years  
George P. Baker, Transport and Communications Commission. Term—four years

## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### *Calendar of Meetings*

<b>In Session as of November 10, 1946</b>		
Far Eastern Commission.....	Washington.....	February 26.
United Nations:		
Security Council.....	Lake Success.....	March 25.
Military Staff Committee.....	Lake Success.....	March 25.
Commission on Atomic Energy.....	Lake Success.....	June 14.
UNRRA - Intergovernmental Committee on Refugees (IGCR): Joint Planning Committee	Washington and Lake Success.	July 25.
General Assembly.....	Flushing Meadows.....	October 23.
Telecommunications Advisory Committee.....	Lake Success.....	November 10.
German External Property Negotiations with Portugal (Safehaven).....	Lisbon.....	September 3.
PICAO:		
Interim Council.....	Montreal.....	September 4.
Regional Air Traffic Control Committee, European-Mediterranean Region	Paris.....	October 28-November 5.
Divisional Meteorological Division.....	Montreal.....	October 29.
International Committee on Weights and Measures.....	Paris.....	October 22-29.
Permanent Committee of the International Health Office.....	Paris.....	October 23-31.
FAO: Preparatory Commission To Study World Food Board Proposals	Washington.....	October 28.
World Health Organization (WHO): Interim Commission.....	Geneva.....	November 4.
Council of Foreign Ministers.....	New York.....	November 4.
IARA: Meetings on Conflicting Custodial Claims.....	Brussels.....	November 6.
International Technical Committee of Aerial Legal Experts (CITEJA)	Cairo.....	November 6-19.
<b>Scheduled for November 1946-January 1947</b>		
International Wool Talks.....	London.....	November 11-16.
U. S. - U. K. Meetings on Bizonal Arrangements for Germany.....	Washington.....	November 12
UNESCO:		
Preparatory Commission.....	Paris.....	November 14-15.
General Conference.....	Paris.....	November 19.
"Month" Exhibition.....	Paris.....	November.
ILO:		
Industrial Committee on Textiles.....	Brussels.....	November 14-22.
Industrial Committee on Building, Civil Engineering and Public Works	Brussels.....	November 25-December 3.

Calendar prepared in the Division of International Conferences, Department of State.

*Calendar of Meetings—Continued*

Second Inter-American Congress of Radiology.....	Habana.....	November 17-22.
PICAO:		
Divisional		
Communications Division.....	Montreal.....	November 19.
Search and Rescue Division.....	Montreal.....	November 26.
Rules of the Air and Air Traffic Control Practices Division.....	Montreal.....	December 3.
Personnel Licensing Division.....	Montreal.....	January 7.
Aeronautical Maps and Charts Division.....	Montreal.....	January 14.
International Whaling Conference.....	Washington.....	November 20.
Rubber Study Group Meeting.....	The Hague.....	November 25.
United Nations:		
Economic and Social Council		
Commission on Narcotic Drugs.....	Lake Success.....	November 27.
Statistical Commission.....	Lake Success.....	January (tentative).
Inter-American Commission of Women: Fifth Annual Assembly.....	Washington.....	December 2-12.
Intergovernmental Committee on Refugees (IGCR): Sixth Plenary Session	London.....	December 16.
Meeting of Medical and Statistical Commissions of Inter-American Committee on Social Security	Washington.....	January 6-11.
Twelfth Pan American Sanitary Conference.....	Caracas.....	January 12-24.
Second Pan American Conference on Sanitary Education.....	Caracas.....	January 12-24.

*Activities and Developments »*

**MEETING OF INTERIM COMMISSION OF WHO**

[Released to the press November 5]

Acting Secretary of State Acheson announced on November 5 that Dr. Thomas Parran, Surgeon General, United States Public Health Service, and United States Representative on the Interim Commission of the World Health Organization, had left to attend the Second Session of the Interim Commission, convening this week at Geneva, Switzerland. Dr. Parran is accompanied by the alternate United States representative on the Interim Commission, Dr. H. Van Zile Hyde, Division of International Labor, Social and Health Affairs, Department of State; Dr. James A. Doull, chief, Office of International Health Relations, United States Public Health Service; and Dr. Howard B. Calderwood, public health consultant, Office of International Health Relations, United States Public Health Service.

## ACTIVITIES AND DEVELOPMENTS

Among the items on the agenda of this Second Session, which began on November 4, will be a consideration of relationships between the World Health Organization and the United Nations, the transfer to the World Health Organization of the health functions of other international agencies, the League of Nations, UNRRA, and the Office International d'Hygiène Publique; and the appointment of technical committees to be concerned with epidemiology and quarantine, health in devastated areas, and medical nomenclature.

### U. S. DELEGATION TO CITEJA

Acting Secretary of State Acheson announced on November 5 that the following members of the United States Section of the International Technical Committee of Aerial Legal Experts (CITEJA) had left for Cairo, Egypt, to attend the fifteenth plenary meeting of the Committee which began on November 6: John C. Cooper, the Institute for Advanced Study, Princeton, N. J.; Richard E. Elwell, general counsel, Civil Aeronautics Administration; Arnold W. Knauth, specialist in maritime and aviation law, Department of Justice; and Emory T. Nunneley, general counsel, Civil Aeronautics Administration. This group, which will be headed by Mr. Nunneley, is accompanied by two members of the Advisory Committee to the United States Section: Edward C. Sweeney, editor, *Journal of Air Law and Commerce*, Northwestern University, Chicago, Ill.; and Stuart G. Tipton, general counsel, Air Transport Association of America.

### U. S. DELEGATION TO INTERNATIONAL WOOL TALKS

[Released to the press November 4]

The Secretary of State announced on November 4 that the President had approved the composition of the United States Delegation to the International Wool Talks, scheduled to begin in London, England, November 11, 1946.<sup>1</sup>

Representatives of the governments principally interested in wool, either as producers or consumers, will meet for a joint review and discussion of the world situation as regards clothing wools.

<sup>1</sup> For an article on American Wool Import Policy, see BULLETIN of Nov. 3, 1946, p. 783.

They will also consider the possibilities of future wool developments.

The members of the Delegation are:

Chairman:

Donald Kennedy, chief, International Resources Division, Department of State

Advisers:

Floyd Davis, acting head, Division of Livestock and Wool, Office of Foreign Agricultural Relations, Department of Agriculture

Clarence Nichols, assistant chief, International Resources Division, Department of State

Paul Nyhus, agricultural attaché, American Embassy, London

Preston Richards, assistant director, Livestock Branch, Production and Marketing Administration, Department of Agriculture

Robert Schwenger, special assistant to the director, Office of Foreign Agricultural Relations, Department of Agriculture

### AMERICAN ADVISERS TO THE GENERAL CONFERENCE OF UNESCO

William Benton, Assistant Secretary of State for Public Affairs, announced on November 8 that the following persons will serve as advisers to the U. S. delegation to the first session of the General Conference of the United Nations Educational, Scientific and Cultural Organization which convenes in Paris on November 19:

A. J. Brumbaugh, member, Executive Committee, Commission on International Educational Reconstruction, and vice president, American Council on Education

Nelson H. Cruikshank, director, Social Insurance Activities, American Federation of Labor

Kermit Eby, director of education and research, Congress of Industrial Organization

Monsignor Frederick G. Hochwalt, director, Department of Education, National Catholic Welfare Conference

Kenneth Holland, assistant director, Office of International Information and Cultural Affairs, Department of State

Walter Kotschnig, associate chief, Division of International Organization Affairs, Department of State

James Marshall, member, Board of Education, New York

Richard McKeon, Dean of Humanities, University of Chicago

Carl H. Milam, executive secretary, American Library Association

W. Albert Noyes, president, American Chemical Society

Mrs. Henry Potter Russell, chairman, Women's Board, San Francisco Museum of Art, and president, San Francisco Community Chest

Charles A. Thomson, adviser, Office of International Information and Cultural Affairs, Department of State

Mrs. Pearl A. Wanamaker, State Superintendent of Public Instruction, State of Washington, and president of the National Education Association

Mrs. Louise Wright, executive secretary, Chicago Council on Foreign Relations

Mr. Benton stated: "The first Session of the General Conference of UNESCO has immense potential significance. It will lay down the program of the new Organization, select its first director general, and reach agreements on budgetary matters. For these reasons, great pains have been taken to assure that the United States will be well represented at Paris in many branches of UNESCO's activities."

The Preparatory Commission of UNESCO will hold its final meeting in Paris on November 14 and 15. The United States will be represented by Dr. Esther Brunauer, assisted by her alternates, Dr. Harvard Arnason and Dr. Richard A. Johnson.<sup>1</sup>

## **TWENTY GOVERNMENTS INVITED TO INTERNATIONAL WHALING CONFERENCE**

[Released to the press November 7]

The Department of State announced on November 7 that invitations had been issued to 20 governments to participate in an international whaling conference to be held in Washington, D.C., beginning November 20, 1946. The following Governments have been invited: Argentina, Australia, Brazil, Canada, Chile, Denmark, France, Ireland, Iceland, Mexico, the Netherlands, Newfoundland, New Zealand, Norway, Peru, Portugal, Sweden, the Union of South Africa, the United Kingdom, and the Union of Soviet Socialist Republics.

The objective of the conference is to amend and codify existing international regulations governing the conduct of whaling, with a view to conserving and developing the existing stocks of whales.

It is also anticipated that the conference will consider means for facilitating the formulation and adoption of future amendments to the regulations from time to time, as conditions may require, without the necessity of calling international conferences as has been the practice in the past.

The United States has participated in previous international conferences concerned with the regulation of whaling, commencing with the conference convoked by the League of Nations in 1931.

The body of regulations which have been drawn up at various international conferences include restrictions such as limitations on the length of the whaling season, minimum legal length of whales taken, closed waters, catch limitations, and prohibition on the taking of certain species.

## **THIRD MEETING OF THE RUBBER STUDY GROUP<sup>2</sup>**

The Department of State announced on November 7 that the United States had accepted an invitation from the Government of the Netherlands to participate in the third meeting of the Rubber Study Group.

This meeting is scheduled to take place at The Hague on November 25, 1946 with the Netherlands Government as host. Donald D. Kennedy, Chief of the International Resources Division, Department of State, will be the United States delegate, with William T. Phillips, Special Assistant on Commodity Policy, International Resources Division, Department of State, as alternate delegate. In addition, Mr. Kennedy will be accompanied by seven advisers representing other United States Government agencies and the United States rubber industry and by an attaché of the American Embassy at London.

Advisers will be H. C. Bugbee, attaché, United States Embassy, London; William L. Batt, chairman, Inter-Agency Policy Committee on Rubber; Alan L. Grant, president, Rubber Development Corporation; George M. Tisdale, chairman, Combined Rubber Committee; Everett G. Holt, rubber adviser, Department of Commerce; P. W. Litchfield, chairman, Goodyear Tire and Rubber Company; John L. Collyer, president, B. F. Goodrich Company; and A. L. Viles, president, Rubber Manufacturers Association, Inc.

<sup>1</sup> See BULLETIN of Oct. 27, 1946, p. 779, and of Nov. 10, 1946, p. 842.

<sup>2</sup> Prepared by the Division of International Resources in collaboration with the Division of International Conferences.

## ACTIVITIES AND DEVELOPMENTS

The Rubber Study Group is the outgrowth of the exploratory rubber talks held by representatives of the Netherlands, United Kingdom, and the United States in London during early August 1944.<sup>1</sup> At that meeting the representatives explored the possible post-war rubber supply in relation to post-war demand. The participants were aware that adequate statistical information was not readily available for a thorough discussion. Consequently, the three governments agreed to the formation of an informal Rubber Study Group to meet periodically for the purpose of presenting and making a detailed analysis and study of all the statistical data available to each member country with respect to the common problems arising from the production, manufacture, or use of natural, synthetic, and reclaimed rubber.

The Group is not authorized to formulate and transmit recommendations to the participating governments. However, the respective governments have at their disposal all the available information of the proceedings of the Rubber Study Group.

The first meeting of the Rubber Study Group was held in Washington in January 1945, attended by the representatives of the Netherlands, the United Kingdom, and the United States. Each of the members presented a study of rubber problems of mutual interest.

The second meeting was held during November 1945 in London, with the United Kingdom as host Government. At that meeting France was invited to participate as a member, and its representative joined the Netherlands, the United Kingdom, and the United States in attempting to re-appraise and reconsider the rubber situation in light of the cessation of hostilities and the liberation of the Far Eastern rubber-producing areas.

At the coming third meeting of the Rubber Study Group further studies of common rubber problems will be made on the basis of the latest statistical information available. Representatives plan to be present from France, the Nether-

lands, the United Kingdom, and the United States. The meeting is expected to adjourn by November 30, 1946.

## TOURIST CONFERENCE REVIVES INTERNATIONAL COOPERATION IN TRAVEL<sup>2</sup>

Official delegates from 41 governments met at London, October 1-7, 1946 for the purpose of reviving and expanding international cooperation in promoting travel between nations. The Government of the United States was represented at the International Tourist Organizations Conference by George Tait, Consul General and Counselor of the Embassy at London, England, and Herbert A. Wilkinson of the Department of Commerce.

Among the more important results of the Conference were the following:

1. Contacts between the governments of the participating countries for the interchange of information in the field of travel were developed; and the attention of the public, of the several governments, and of the United Nations was directed to the necessity of eliminating the myriad impediments to a free flow of travelers between countries.
2. Resolutions pointing out the importance of travel to expanding international trade, the creation of foreign exchange, and the development of mutual understanding of cultural and intellectual activities were passed unanimously.
3. Resolutions urging the immediate simplification of frontier formalities, abolishment of currency controls, and the elimination of passport and visa impediments were adopted.
4. Formation of an exploratory committee, of which the United States is a member, to recommend to the next meeting the form and purpose of an expanded international travel organization and a method of cooperation with the United Nations in dealing with problems of encouraging freedom of travel.
5. Adoption of a definition of "tourist" which includes commercial travelers, students, trainees, businessmen, and public officials, in addition to visitors traveling for personal, recreational, health, or professional reasons. In general, this definition might be said to include anyone who leaves the country of his residence for a period of more than 24 hours with the intention of returning.

<sup>1</sup> See BULLETIN of June 2, 1946, p. 932, for an article by Mr. Phillips on "Rubber and World Economy".

<sup>2</sup> Prepared by the Division of International Conferences of the Department of State in collaboration with the Office of International Trade, Department of Commerce.

Adoption of the definition by the participating governments would eliminate the discrimination against commercial travelers that currently exists in many countries in the form of the imposition of many special rules and irritating formalities.

6. Formation of a committee, of which the United States is a member, to study and report to the next travel conference on methods of standardizing international tourist statistics and facilitating the free exchange of such information.

### PAUL T. DAVID APPOINTED TO PICA COMMITTEE

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

The President has designated Paul T. David as United States representative on the Air Transport Committee of the Provisional International Civil Aviation Organization. Mr. David will serve under the general direction of Maj. Gen. Laurence S. Kuter, United States representative on the Interim Council of PICA.

## Caribbean Regional Air Navigational Meeting of PICA

### *An Article*

The Caribbean Regional Air Navigation Meeting of the Provisional International Civil Aviation Organization (PICA), which met at Washington from August 26 through September 13, 1946, was the third in a series of regional meetings called under the auspices of PICA to consider the facilities and supplemental standards, practices, and procedures necessary for the safe and expeditious operation of international air-transport services in ten regions throughout the world. These PICA regional meetings will go far to insure common operating standards and practices for international air carriers. In addition, the meetings are highly useful as educational gatherings where information pertaining to installations as well as to techniques of air navigation and ground aids to air transport can be exchanged to the mutual benefit of all attending nations.

In air-navigation matters, PICA has been engaged in developing recommended standards, practices, and procedures for the following technical fields: air-traffic control, meteorology, air-dromes and ground aids, search and rescue, communications, airworthiness requirements, operating procedures, accident investigation, personnel licensing, and aeronautical maps and charts.

As regards the first five of these fields, it early became apparent that the standards and procedures developed would have to be modified and perhaps supplemented before they could be applied to the varying geographical and aeronautical conditions throughout the world. For this reason

the PICA Interim Council divided the world into ten regions and instituted a program of regional meetings to discuss facilities supporting five fields and to modify or supplement the standards and procedures pertaining to them.

The first regional PICA air-navigation meeting was held in Dublin, Ireland, in March of this year to consider facilities and standards of operation along heavily traveled routes in the North Atlantic region. The Dublin conference established a pattern for the nine other regional meetings planned by PICA. The Dublin pattern has been modified and improved upon only slightly during the following meetings. The Dublin conference was followed in late April and early May by a Paris meeting which considered technical problems facing international civil aviation in the combined European-Mediterranean region. And the recent Caribbean meeting was followed in October by the Cairo air-navigation meeting which covered the Middle East region. With six additional regional meetings scheduled to meet under the auspices of PICA during the coming year, it appears that PICA has planned wisely for regional implementation of its program designed to bring about uniformity of operating practices and procedures of international civil air carriers as well as to insure that air navigation, weather, communications, and search and rescue facilities in each region are sufficient for their safe operation.

At each of the regional air-navigation meetings

## ACTIVITIES AND DEVELOPMENTS

a general review is made of existing facilities within the particular region for air-traffic control, aviation communications, aviation meteorology, search and rescue, and airdromes, air routes, and ground aids. Besides reviewing existing facilities in each of these fields for their adequacy and for informational purposes, recommendations are made as to additional facilities needed, and proposals are developed with respect to supplemental technical standards, practices, and procedures which conform to the peculiarities of the region under consideration. The recommendations are then reviewed by the PICAQ Air Navigation Committee at Montreal, Canada, prior to their presentation to the PICAQ Interim Council for approval. Once approved by the Council, each member government of PICAQ is obligated to use its best efforts to carry out the recommendations.

With such a diversity of technical matters being discussed and with the obvious interest of American flag airlines in the subject matter of the meetings, the developing of a well-rounded United States position has been a problem. Pre-delegation activities of the United States delegations have been handled through the medium of interdepartmental working committees established within the framework of the Air Coordinating Committee. Representatives of American flag international airlines as well as the Air Transport Association and Aeronautical Radio, Inc., have actively assisted in an advisory capacity. Industry participation in the working committees and in the delegations themselves has been thorough and extremely beneficial to both government and industry. It is safe to say that without such industry advice and assistance the United States could not possibly have taken such an active and leading role in the work of the regional meetings. The interdepartmental character of the United States delegation is made obvious by listing the Government agencies represented: Departments of State, War, and Navy; the Civil Aeronautics Administration and the Weather Bureau from the Department of Commerce; the Civil Aeronautics

Board; the Coast Guard; the Federal Communications Commission; and the Maritime Commission. All have taken an active part not only in formulating pre-meeting United States proposals but also in the work of the United States delegations during the meetings themselves.

At each regional air-navigation meeting the governments of countries within the particular region or whose airlines operate to or in the region under consideration are issued invitations for full participation. Any other governments which are members of PICAQ may send observers to the meetings, and, in addition, representatives of international government and private organizations interested in any of the five fields listed above are issued invitations for attendance as observers. Thus, for the Caribbean regional meeting the following Governments and organizations were present: Argentina, Australia,<sup>1</sup> Brazil, Canada, Chile, China,<sup>1</sup> Colombia, Costa Rica,<sup>2</sup> Cuba,<sup>2</sup> Czechoslovakia,<sup>1</sup> Dominican Republic, El Salvador, France, Haiti, Honduras, Iraq,<sup>1</sup> Mexico, Netherlands, Nicaragua, Panama,<sup>2</sup> Peru, United Kingdom, United States, Venezuela, International Air Transport Association, International Meteorological Organization, Inter-American Radio Office, International Telecommunications Union, and, of course, the Provisional International Civil Aviation Organization.

At the opening session of the Caribbean meeting on August 26, 1946 Charles I. Stanton, chairman of the United States delegation, was elected president of the meeting and chairman of the General Committee. This General Committee was composed of the heads of delegations of the participating governments, and its task was to review, modify, and finally adopt proposals made by each of the five committees formed to consider problems arising in the technical fields listed above. In addition, the General Committee appointed a Regional Manual Subcommittee and an Operations Subcommittee.

The Regional Manual Subcommittee accepted in general a United States proposal which, in effect, recommends two regional publications: (a) the *Caribbean Supplementary Procedures for*

<sup>1</sup> Observing Governments.

<sup>2</sup> Non-member states of PICAQ.

*Air Navigation Services*, to contain those regional procedures which are required to supplement PICAQ procedures for air-navigation services. This publication is designed primarily for ground personnel. (b) the *Caribbean Airmen's Guide*, to contain pertinent information concerning air-navigation procedures and facilities within the region. This publication is designed primarily for the benefit of airmen. The manual reports which had been developed earlier at the Dublin and Paris meetings were consolidated and were used generally as a basis for the proposed Caribbean publications as regards such matters as style, format, and content. The manual document adopted by the Caribbean meeting is believed to be an example of the type of airmen's guide required in any region throughout the world.

In organizing communication centers for the handling of notices to airmen (NOTAM), the Manual Subcommittee was confronted with the fact that there are many small states within the Caribbean region, the majority of which have very few aeronautical facilities within the territories. For this reason a proposal was adopted recommending the establishment of only six regional NOTAM offices instead of having one in each country, a proposal which should prove a worthwhile saving to all states concerned. The plan is to have the regional NOTAM offices report to a central office within the Caribbean region which in turn will coordinate its information with central NOTAM offices in other regions.

The Operations Subcommittee had several controversial items on its agenda. One of particular interest was the question as to whether the metric or the English system of measurement should be used. The General Committee adopted a recommendation that the unit of measure in horizontal distance be the nautical mile. This particular item of controversy was well handled, and the documents submitted to the General Committee for approval reflected the fact that the nations working together had an understanding of each other's problems and were willing to compromise in order to arrive at a workable solution.

Another problem faced by the Operations Sub-

committee was that of devising standard instrument landing-approach procedures for airdromes in the region. The United States proposed a formula, accepted by the meeting, which can be applied to any airdrome with only minor changes to be made where physical obstructions require a departure from normal practices.

The Search and Rescue Committee of the region reviewed existing facilities and listed supplementary facilities which the Committee felt were needed for adequate search and rescue operations within the region. In addition, this Committee conducted a study of operating procedures and instructions for the coordination of search and rescue matters. The Committee decided that the Caribbean region could be served adequately by the same procedures which had been developed at the previous Dublin and Paris meetings, with only minor additions, such as special procedures to provide for contingencies arising as a result of hurricanes.

Discussion in the Air Traffic Control Committee revolved around a United Kingdom proposal to cover the entire Caribbean area with flight safety regions and to provide only a limited amount of traffic control. The United States suggested that air-traffic control be limited to those places where air traffic converged, with flight safety regions limited to those areas necessary at this time. A compromise was finally developed and adopted by the General Committee whereby clearly defined air-traffic control areas were established covering a radius of approximately 150 miles from specified control points. Flight safety region boundaries were eliminated entirely, with a proviso that each control point will supply flight information service for safety purposes beyond its control area to the extent of its ability. Thus, in effect, flight safety regions will be fluid rather than defined.

Other major accomplishments of the Air Traffic Control Committee included unanimous agreement on a plan specifying the basic meteorological requirements for adequate air-traffic control and a plan specifying the basic communications requirements to fulfil this type of activity. These proposals are considered as worthwhile standards for world-wide application.

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The Communications Committee of the Caribbean meeting was confronted with a point of major interest peculiar to this region. Unlike other regions of the world, many of the facilities used for communications in the Caribbean are owned by private concerns which provide services only to those aeronautical companies responsible for the establishment of such facilities. Since an increase in service rendered by these facilities would entail considerable additional expense, the private companies could not commit themselves to making these facilities available to all prospective users. The countries in whose territories the facilities are located do not appear to be financially or technically capable of providing general service at the present time. Since one objective of PICAQ is to make facilities available to all users on a non-discriminatory basis, this subject was discussed at considerable length. The Communications Committee finally decided that the situation would gradually be worked out as the countries involved trained their own technicians and eventually took over these services.

On the recommendation of the United Kingdom and France, the General Committee adopted the Communications Committee proposal that the basic communications procedures developed at the Dublin and Paris meetings be accepted at all future regional meetings. It was felt that in future meetings only the procedures peculiar to the particular region under discussion needed to be developed for publication in the Regional Supplement.

The Meteorological Committee was confronted with a problem similar to that which faced the Communications Committee, since many meteorological facilities in the Caribbean are privately operated. The weather reports emanating from such facilities are available only to the owners of those facilities. The Meteorological Committee recommended that PICAQ consider all weather observations and reports made by qualified observers to be international in character and to be made available to government meteorological services on a non-discriminatory basis.

The Meteorological Committee took exception

to the proposal of the Operations Subcommittee to express visibility in nautical miles and recommended to PICAQ that the statute mile be used. This recommendation was in line with the plans adopted by the International Meteorological Organization to use the statute mile at all times.

In as much as most of the airdromes within the region are already international in character, the Committee on Airdromes and Ground Aids had little difficulty in carrying out its work. This Committee found that substitutes for the international landing fields now being used in the region were either impractical or impossible.

The governments participating in the Washington meeting as well as PICAQ itself have every reason to feel that the Washington meeting was most productive. For one thing, representatives of the United States, the United Kingdom, Netherlands, France, and most of the international organizations have been present at all of the regional air-navigation meetings held so far and have gained valuable experience from previous meetings. The problems before the regional meetings are understood much more completely than was the case before the PICAQ regional program was started. Also, the delegates representing the various governments, having worked together before at regional meetings and at Montreal, realized that compromises have to be made in order to obtain practical and workable recommendations which can be applied to the peculiarities of each region under consideration.

The basic problems confronting PICAQ regional meetings are similar in nature the world over. A stable foundation for the work of such meetings has been laid and is now generally accepted. Future regional meetings, therefore, should not have to devote time to basic considerations in the technical fields of air-traffic control, search and rescue, communications, meteorology, and airdromes and ground aids. At future meetings, once the task of reviewing existing facilities is accomplished, only supplementary procedures and practices peculiar to the region under consideration will have to be added to the basic documents developed at the Dublin, Paris, and Washington PICAQ air-navigation meetings.

## PICAO Conference on North Atlantic Ocean Weather Observation Stations

Article by J. Paul Barringer

The conception of the establishment of ocean weather stations was first advanced in the scientific world approximately 25 years ago by the International Meteorological Organization. However, no action was taken other than the establishment, in about 1937, by France, of a vessel equipped for scientific and meteorological exploration in the North Atlantic. During the war, the Governments of the United States and the United Kingdom established a number of such stations for the collection of meteorological data and as aids to air navigation across the North Atlantic. At one time there were as many as 21 ocean weather stations in operation, financed by the individual governments without international agreement. Procedures for standardization and coordination of observations and of exchange of data were established between the military authorities of allied nations. Demobilization and shortage of manpower following the war caused most of the stations to be disbanded, with the exception of four currently being operated by the United States. The requirement for such stations had become greatly emphasized by the increased air traffic between North America and Europe. The need for the establishment, operation, and coordination of these stations was first officially recognized at the PICAO North Atlantic Route Service Conference, held in Dublin on March 4, 1946. The Interim Council of PICAO, in June 1946, approved the recommendations of that conference to the effect that PICAO take action to establish 13 stations in the North Atlantic.

The Interim Council of PICAO received the acceptance of the Government of the United Kingdom to act as host Government to the conference; it convened the Conference of North Atlantic Stations for September 17, 1946 in the Auditorium of the Royal Geographic Society, No. 1 Kensing-

ton Gore, London S. W. 7. The Governments invited by cable on August 26 and by letter of invitation on August 27 were: Belgium, Canada, Denmark, France, Iceland, Ireland, Netherlands, Norway, Portugal, Spain, United Kingdom, and United States.

A list of the delegates, advisers, and observers follows:

### DELEGATIONS

#### *Belgium*

Lt. Col. J. Verhaegen  
S/L O. Godart  
M. G. Timmermanns

#### *Canada*

A. C. McKim  
P. D. McTaggart Cowan

#### *Denmark*

G. E. Teisen  
M. Crone  
Commander N. Brammer (adviser)

#### *France*

R. Massigli (Ambassador in London)  
M. Haguenuau  
J. E. Le Roy  
M. Gauthier-Villars  
Capt. A. Gras

#### *Holland*

Dr. W. Bleeker  
Capt. A. S. de Bats  
M. P. de Winter  
Dr. A. Treep

#### *Iceland*

M. Eiridikur Benedikz

#### *Ireland*

D. Herlihy  
Dr. M. Doporto  
P. T. McCarthy

#### *United Kingdom*

Sir Nelson Johnson  
E. G. Bilham  
J. Durward  
Commander C. Frankcom

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R. C. Chilver  
W/C L. E. Botting  
W. L. Shaw  
S. P. Peters (alternate to J. Durward)  
O. G. Caines (alternate to Mr. Chilver)

### *Experts*

S/L T. A. Stewart  
S/L C. S. Hawley  
S/L D. Wilson  
J. E. S. Fawcett

### *Observers*

Capt. J. Fleming  
Capt. H. Quick  
N. Bradbury

### *United States*

J. P. Barringer  
D. M. Little (alternate)  
Maj. Gen. L. S. Kuter (alternate)

### *Advisers*

P. T. David  
Commander G. V. Graves, USCG  
N. R. Hagen  
Capt. R. F. Hickey, USN  
Maj. P. H. Huber  
C. H. Lample  
Capt. H. C. Moore, USCG  
C. L. Stanton

### *Norway*

Dr. S. Petterssen  
B. Grinde  
G. O. Moe  
C. Lous  
L. Christensen (technical adviser)

### *Portugal*

Commander A. F. Roriz

### *Spain*

Col. Dou C. Sartorius  
Lt. Col. Don C. Gorozarri

### *Sweden*

Dr. H. Berglund  
Dr. A. K. Angstrom

### *International Meteorological Organization*

E. Gold

### *PICAO*

Dr. E. Warner  
I. H. McClure  
E. M. Weld  
G/C F. Entwistle  
T. S. Banes  
Col. N. D. Vaughn  
Dr. J. A. Fruin  
Dr. J. Dubsky  
Miss V. Vaughn

### *International Air Transport Association*

E. C. Terlske  
J. MacDougall  
W. Brook Williams

Acting upon the invitation of the Interim Council of PICAO and upon PICAO Memorandum, Doc. 1955, dated July 25, 1946, which thoroughly reviewed and outlined the problem, the Air Coordinating Committee instructed its Subcommittee on PICAO Matters to select the membership of an American delegation to the conference and to formulate instructions for this delegation. The specific instructions to the delegation, as to the position of the United States on matters to be brought before the conference, were prepared by the PICAO Subcommittee of the Air Coordinating Committee in the form of annotations to the proposed agenda submitted by PICAO Doc. 1955 and were fully reflected in the final agreement.

The conference was opened on September 17 by Dr. Edward Warner, president of the Interim Council of PICAO, acting as chairman. An initial address of welcome to the delegates on behalf of His Majesty's Government was delivered by the Rt. Hon. Geoffrey de Freitas, M.P., Under Secretary of State for Air.

The conference proceeded directly with the business of organization, adoption of rules of procedure, agenda, and other initial matters. Upon motion of the American delegate, Sir Nelson Johnson of the United Kingdom was elected chairman of the conference. Mr. Anson McKim, the Canadian delegate, was elected vice chairman. Dr. Dubsky of the PICAO Secretariat was appointed secretary general of the conference. The following Commissions were appointed which, in turn, elected chairmen and appointed secretaries:

### *Financial Commission:*

Chairman . . . . .	Anson McKim, Canada
Secretary . . . . .	E. M. Weld, PICAO
U.S. representative . . . . .	J. P. Barringer
U.S. adviser . . . . .	P. T. David

### *Technical Commission:*

Chairman . . . . .	Dr. S. Petterssen, Norway
Secretary . . . . .	c/o F. Entwistle, PICAO
U.S. representative . . . . .	D. M. Little
U.S. advisers . . . . .	Capt. H. C. Moore Commander G. V. Graves Maj. P. M. Huber N. R. Hagen

*Drafting Commission:*

Chairman . . . . . J. E. S. Fawcett, U.K.  
 Secretary . . . . . Dr. J. A. Fruin, PICA0  
 U.S. representatives . . . . P. T. David  
   N. R. Hagen

The conference was comparatively small and it was therefore possible to dispense with many of the usual committees, such as nominations and steering. Several *ad hoc* subcommittees of the Technical Commission were created for reports on specific agenda items as recorded in the report of that Commission. All remarks made at all plenary sessions and Commission proceedings and all documentation were recorded in English and French, the official languages of the conference.

The Financial Commission met in four sessions to discuss and recommend a solution of the main problem of the conference—the distribution of the economic burden of the project. Other agenda items bearing upon this problem were not specifically discussed or reported upon, but they were taken into consideration in general discussions. In the deliberations there was almost immediate agreement that an equitable distribution of the burden should be based upon the general principle of contributions in services and in kind, which would minimize initial and recurring transfer of funds, and also upon the universal desire to operate weather-station vessels in preference to contributions in cash. Discussions in the Commission also disclosed that the application of any exact mathematical formula was impractical since it would involve variable cost figures, indeterminate, direct and collateral contributions and benefits, and in the end substantial transfer of funds.

The general formula agreed upon as a guide placed primary emphasis on frequencies of trans-Atlantic crossings, both military and civil. Current frequencies were not considered desirable for use as the sole criteria; therefore, all representatives submitted estimates of average weekly round trips, both military and civil, proposed for the peak months, June and July 1947, and for the year ending July 1948. Such estimates were considered to be the roughest speculation for use as a starting point only.

United States percentages appeared as follows:

Current . . . . .	70 percent
June and July 1947 . . . . .	65 “
Year ending July 1948 . . . . .	75 “

After examination of all factors the American delegation agreed to recommend that the United States Government assume responsibility for providing and operating seven stations and an eighth jointly with Canada, only if European states would agree to operate the remaining five. The United States would thus assume 58 percent of the total project. This proposal was advanced only after it became clear that an offer of six stations and a seventh jointly with Canada would produce only three to four operated by the European states. Technical advisers were unanimous in the position that a program of 13 stations provided minimum coverage to effect the desired weather observation.

The Commission finally agreed to recommend to the conference that states provide and operate stations as follows:

	<i>State</i>	<i>Number of stations</i>
U.S . . . . .		7
U.K . . . . .		2
France . . . . .		1
U.S. and Canada, 50 percent each . . . . .		1
Netherlands and Belgium, 50 percent each . . . . .		1
Sweden, U.K., and Norway, 43 percent, 35 percent, 22 percent, respectively, Norway to operate . . . . .		1
Total . . . . .		13

The Technical Commission considered all technical agenda items, i.e., location of stations, types of and extent of services to be given, including meteorological, air-sea rescue, air navigational, and incidental services. Because of the variety of technical problems requiring study and recommendation, several subcommissions were appointed. All final recommendations were incorporated in the annexes to the agreement.

The question of what agency should coordinate the entire establishment and operation of the project was the only important point which could not be resolved in the deliberations of the Commission. Discussion therefore reverted to plenary session, in which a determined effort on the part of

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one delegation to establish the International Meteorological Organization as the sole agency for such coordination was met by unanimous disapproval of all other delegates.

The drafting of the final act and agreement in Commission and their consideration by the conference in plenary session was marked by a universal desire to keep the documents as brief and as non-technical as possible. It was generally agreed that all individual arrangements among two or more states covering the joint operation of stations and all agreements of a technical nature should take the form of annexes in order that minor future changes could be made without revision of the weather-station agreement.

The final act reviewed the work of the conference in briefest terms, listed the participating delegations and conference officials, stated that the agreement had been established with annexes as described, listed governments intending to participate in the financing and operation of the stations, and finally bound the delegates of the signatory governments to use their best endeavors to secure early acceptance of the agreement by their respective governments.

The international agreement on North Atlantic weather observation stations consists of a preamble, eight articles, a signatory paragraph, and four annexes. It provides in general that the Governments of Belgium, Canada, France, Ireland, Netherlands, Norway, Sweden, United Kingdom, and United States, being members of PICAQ, have agreed.

(1) that 13 ocean weather stations be operated at locations in the North Atlantic specified in Annex I.

(2) that meteorological, search and rescue, air navigational, supplementary air traffic control and other incidental services be performed as detailed in Annex I.

(3) that PICAQ shall coordinate the project and may change annexes with the consent of governments affected.

(4) that signatory governments shall finance and operate the stations.

(5) that PICAQ shall convene a conference not

later than April 1, 1949, for consideration of revision and renewal of the agreement.

(6) that the agreement come into effect upon acceptance by all the signatory governments, all signatures being *ad referendum*.

The conference as a whole was marked with a universal spirit of cooperation and an enthusiasm on the part of all delegates and advisers which enabled the conference to complete its work and to approve the final act and agreement in seven days only. The conference benefited immeasurably from the constant advice and guidance of the president of the Interim Council of PICAQ, Dr. Edward Warner. The many exploratory discussions which were held informally between various delegations served as an important adjunct to the work in conference and resulted in the final agreement.

All considerations and discussions held in constant regard the fact that the final agreement might establish a precedent for a number of similar international agreements among groups of governments throughout the world and that this agreement might conceivably in time become a part of a much larger multilateral agreement covering the establishment of international aids to air navigation. For this reason the article providing for the calling of a conference of participating governments to reexamine and renew the agreement made no provision for any specific criteria upon which future participation should be evaluated. It is believed that this conference and the resulting final act and agreement will prove to be a major step forward in the establishment of aids to air navigation on the basis of international cooperation and agreement.

All interested agencies of the Executive Branch of the Government have individually and through the Air Coordinating Committee supported the agreement. They have agreed to support the Treasury Department on behalf of the United States Coast Guard and the Department of Commerce on behalf of the Weather Bureau in their efforts to obtain for those agencies the increased appropriations necessary to carry out the proposed obligation of the United States Government under the agreement.

# International Action on Agricultural and Nutrition Problems

## FAO COPENHAGEN CONFERENCE AND FAO PREPARATORY COMMISSION

*Article by Duncan Wall*

Ways and means of achieving healthful diets for the world's people and stable prices for agricultural producers, objectives accepted by the Copenhagen Conference of the United Nations Food and Agriculture Organization held from September 2 to 13, 1946, are being currently discussed in Washington by representatives of 16 member countries of a preparatory commission created at Copenhagen in September.<sup>1</sup>

The Copenhagen Conference left wholly to the Preparatory Commission the question of machinery to achieve these objectives. The United States took no position on how the goals were to be reached.

"These aims are not separate," said Sir John Boyd Orr, Director General of FAO, in opening the Preparatory Commission's meeting. "They are two aspects of a single aim—a healthy, vigorous, world-wide economic expansion."

Norris E. Dodd, Under Secretary of Agriculture and United States member of the Commission, said in the opening plenary sessions of the Commission that the United States firmly supports these objectives.

Mr. Dodd pointed out that the United States has recently put forward proposals for an International Trade Organization, now under study by another preparatory commission in London. These proposals, he said, also are aimed at expansion of employment, production, trade, and consumption; there is also a chapter on intergovernmental commodity arrangements.

"It is the considered view of the United States Government that the ITO proposals provide a useful starting point for the deliberations of this Commission," he said. He also suggested that the FAO Commission might study means by which nations, by consultation and cooperation, could bring into better coordination their individual, national, agricultural, and nutritional programs.

The creation of the Preparatory Commission grew out of a recommendation made by FAO's Special Meeting on Urgent Food Problems held in Washington in May 1946. Although the Special Meeting was concerned with the immediate food emergency, the representatives of the various governments felt that even after 1948 there would still be acute problems, one of which might be the accumulation of surpluses of important agricultural commodities. The Special Meeting requested the Director General of FAO to submit proposals to the next session of the FAO Conference for dealing with such problems.

The *Proposals for a World Food Board*, published by FAO on July 5, 1946, thus took their place on the agenda of the FAO Conference at Copenhagen, which was advanced a month in order to permit the representatives of the member nations to consider the proposals at the earliest possible moment.

At the same time the Conference had to consider other matters of great practical importance, such as admission of new members, budgets and financial controls, constitutional and organizational questions such as relationships to other United Nations agencies, and non-governmental international organizations. The Copenhagen Conference also dealt with the advancement of the technical work of FAO in the fields of agricultural science and education, improvement in nutrition, forestry and fisheries questions, economic and statistical studies, and the work of FAO missions, an activity which had been initiated with a mission for Greece.

Member countries attending the Conference, including those admitted at this session,<sup>2</sup> were Australia, Belgium, Bolivia, Brazil, Canada, Chile,

<sup>1</sup> The Commission convened at Washington on Oct. 28.

<sup>2</sup> Those admitted at this session are indicated by an asterisk.

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China, Cuba, Czechoslovakia, Denmark, Dominican Republic, Ecuador, Egypt, France, Greece, Guatemala, Haiti, Hungary\*, Iceland, India, Ireland\*, Italy\*, Liberia, Luxembourg, Mexico, the Netherlands, New Zealand, Nicaragua, Norway, Panama, Paraguay, Peru, Poland, Portugal\*, Switzerland\*, Union of South Africa, United Kingdom, United States of America, Uruguay, Venezuela, and Yugoslavia. In addition, observers were present representing Argentina, Austria, Finland, Rumania, Siam, Sweden, and Turkey.

International governmental organizations represented were the Emergency Economic Committee for Europe, International Bank for Reconstruction and Development, International Emergency Food Council, International Labor Office, International Monetary Fund, Office International des Épizooties, United Nations, United Nations Educational, Scientific and Cultural Organization, United Nations Relief and Rehabilitation Administration, and the World Health Organization.

Four international non-governmental agencies attended the Conference, as follows: International Cooperative Alliance, International Federation of Agricultural Producers, World Federation of Trade Unions, and World Federation of United Nations Associations.

The United States Delegation was headed by Norris E. Dodd, Under Secretary of Agriculture, as U.S. Member, with Leslie A. Wheeler, Director of the Office of Foreign Agricultural Relations, Department of Agriculture, as alternate.<sup>1</sup>

The Conference organized its work under three commissions, each with a number of committees. Commission A on technical questions included committees on agriculture, nutrition, forestry, fisheries, economics and statistics, and FAO missions. Mr. Watts of the U.S. Delegation was chairman of the Forestry Committee.

Commission B on administration had committees on constitution, organization, and finance.

Commission C on world food policy was headed by the United States member and had two committees—on the World Food Board proposal and

on the World Food Board appraisal which had been submitted by the FAO Secretariat.

The United States Delegation assigned a spokesman, and in some cases other persons with special representational interests or responsibilities, to each committee and commission. In addition, the United States member served as a member of the General Committee of the Conference, and of the Nominations Committee. Mr. Wheeler was chosen a member of the Executive Committee for a three-year term.

The report of the World Food Board Committee, adopted by the Conference, stated:<sup>2</sup>

"1. Having examined the Director General's Proposals for a World Food Board in the light of the discussion in the Plenary Meetings, and accepting the general objectives of the Proposals, namely:

"(a) developing and organizing production, distribution and utilization of the basic foods to provide diets on a health standard for the peoples of all countries;

"(b) stabilizing agricultural prices at levels fair to producers and consumers alike."

It is agreed that international machinery is necessary to achieve these objectives and it is recommended that a Preparatory Commission be established to carry the proposals further.

"2. The terms of reference of the Preparatory Commission should cover the following matters: The Director General's Proposals and any alternative proposals which may be submitted to it and to prepare concrete recommendations and propositions for international action for achieving the objectives as set out in paragraph 1."

The accepted committee report, continuing, recommended that the Preparatory Commission be composed of 16 member nations, with invitations extended to Argentina and the U.S.S.R., non-members, and that Siam be invited to join in discussions concerning rice. Any FAO member nation, though not a member of the Preparatory Commission, was to be entitled to send an observer.

The 16 Preparatory Commission member Governments were named as Australia, Belgium, Brazil, Canada, China, Cuba, Czechoslovakia,

*(Continued on page 915)*

<sup>1</sup> BULLETIN of Aug. 25, 1946, p. 361.

<sup>2</sup> Document 78, Report of Committee I, Commission C, 2d Sess. of FAO Conference at Copenhagen.

## THE RECORD OF THE WEEK

### Announcement of Trade-Agreement Negotiations

#### SUMMARY OF INFORMATION RELATED TO TRADE-AGREEMENTS PROGRAM

[Released to the press November 10]

The Acting Secretary of State on November 9 issued formal notice of intention to conduct trade-agreement negotiations with Australia, Belgium, Brazil, Canada, Chile, China, Cuba, Czechoslovakia, France, India, Lebanon (Syro-Lebanese Customs Union), Luxembourg, Netherlands, New Zealand, Norway, Union of South Africa, Union of Soviet Socialist Republics, the United Kingdom, and the areas for which these countries have authority to negotiate. Invitations to most of these nations were announced in December 1945. The negotiations will probably begin in April 1947.

The Acting Secretary also made public a list of products which will be considered for the possible granting of tariff concessions by the United States in these negotiations.<sup>1</sup>

The Committee for Reciprocity Information simultaneously issued a notice fixing the dates for submission to it of written information and views about the projected negotiations and of applications to appear at public hearings before the Committee. The notice sets forth the time and place for the opening of these hearings.

The announcement marks a further important step in the program of international economic collaboration begun with the Atlantic Charter. This program was expanded in article VII of the our mutual-aid agreements, was carried forward by our participation in the International Bank for Reconstruction and Development, the International

Monetary Fund, the Food and Agriculture Organization, and the Economic and Social Council of the United Nations. It has been further developed in the United States *Proposals for Expansion of World Trade and Employment* presented last December for the consideration of the governments and peoples of the world. The *Proposals* have since been elaborated in detail in the *Suggested Charter for an International Trade Organization* published by the United States in September of this year.

The British and French Governments have announced their full agreement with all important points of the *Proposals*. The Economic and Social Council of the United Nations has voted to call an international conference on trade and employment, and has appointed a Preparatory Committee to prepare the agenda for that conference.

This Preparatory Committee is now holding its first meeting in London. It has accepted the United States *Suggested Charter* as a basis for study.

To be fully effective, general rules for international commercial and trade relations such as those laid down in the *Suggested Charter* must be supplemented by specific action to reduce, modify, or eliminate barriers to trade such as tariffs, quantitative restrictions, and discriminations. The

<sup>1</sup> Printed in Department of State publication 2672, Commercial Policy Series 96. Refer also to *Schedule A—Statistical Classification of Imports Into the United States*, U. S. Dept. of Commerce, Sept. 1, 1946.

trade-agreement negotiations which the Department has announced are one of the principal means by which the nations now meeting in London (which are the same nations included in the proposed negotiations) will endeavor next spring to achieve this end.

This is the largest reciprocal trade-agreement negotiation yet undertaken. Nations are emerging from the dislocations of the war. They are now making crucial decisions as to the nature and direction of their economic activities. There exists a major opportunity to reduce world trade barriers and establish desirable patterns of future world trade. To seize this opportunity, the trade-agreements program, limited during the war, is now being resumed on a broad scale.

In the past years the United States and the other countries participating in these negotiations have accounted for about two thirds of the world's trade. The other negotiating countries have accounted for about the same proportion of United States exports and imports. The list of products on which public hearings are to be held is therefore extensive and includes a large proportion of the important products in United States import trade, including among them some products of which Germany and Japan were formerly principal sources of United States imports, but of which the negotiating countries are likely to be the principal sources under post-war conditions.

It is intended to include in the proposed trade agreement an adequate escape clause, along the lines of that appearing in our trade agreement with Mexico, under which a concession which, as a result of unforeseen circumstances, causes serious injury to domestic producers, can be modified or withdrawn.

The negotiations will be a two-way process. The United States will make requests for tariff and other concessions by the other countries in favor of a wide range of products covering a large proportion of our total export trade. Although no list of the export items on which concessions will be requested is to be published, the interdepartmental trade-agreements organization is preparing a very extensive list of such requests, and export interests are urged to let the trade-agree-

ments organization know at the public hearings what concessions they feel should be requested of the other countries involved in the negotiations.

Information is also solicited about other trade barriers, such as quantitative restrictions or administrative regulations which have stood in the way of United States export trade with these countries, and as to any discriminations by these countries which have proved detrimental to United States exports.

The procedures hitherto followed under the Trade Agreements Act will continue to apply in the preparation for these negotiations. No tariff concession will be granted by the United States on any product not covered by the present or a supplementary public list. Inclusion of any product in the public list does not necessarily mean that a reduction or binding of duty will be granted. No decision to offer a tariff concession will be made until after the public hearings, and the final decision as to what concessions will be granted will, of course, depend on the outcome of the negotiations. Concessions may take the form of reductions in duty (customs duties and import excise taxes) or may simply bind existing duties or duty-free treatment or processing taxes.

For the convenience of the public, the present list has been prepared in two forms. The first form, entitled *Statistical List*, is based upon the classifications set forth in *Schedule A—Statistical Classification Of Imports Into The United States*, September 1, 1946, published by the Department of Commerce. Its language is commercial rather than statutory and will be more familiar to many of those interested in the proposed negotiations. The second form, entitled *Statutory List*, is based upon the language of the Tariff Act of 1930, and contains the exact legal description of the products on which concessions will be considered. It is controlling.

It has already been announced that public hearings will be held at a date to be announced later on the *Suggested Charter for an International Trade Organization*, so that all interested United States persons and groups will also have an opportunity to express their views as to the general rules under which international trade should be conducted.

**STATEMENT BY THE PRESIDENT**

[Released to the press by the White House November 9]

The Acting Secretary of State has today formally announced the intention of this Government to enter into concerted trade-agreement negotiations with eighteen other principal and representative trading nations for the reciprocal reduction of trade barriers and substantial elimination of trade discriminations among the nations participating.

It is important that the people of the United States realize the true significance of these negotiations, for us and for the world. They are not solely trade bargains. They are that; but they are much more. They are central to the structure of international economic cooperation under the United Nations. They are necessary to achieve the objectives of the Atlantic Charter and of Article VII of our mutual-aid agreements. They are necessary to strengthen and support the foundations of the International Monetary Fund and the International Bank for Reconstruction and Development and to pave the way for the kind of economic world envisaged in the *Suggested Charter for an International Trade Organization*.

The substance of the *Suggested Charter* is now being discussed in London by a Committee of nations designated by the Economic and Social Council to prepare for an International Conference on Trade and Employment and for the establishment of an International Trade Organization. The subsequent trade-agreement negotiations announced today will carry forward these general principles and objectives by concrete and specific action to clear the channels of trade, replacing trade warfare by trade cooperation to the common benefit of all countries. Their success or failure will largely determine whether the world will move towards a system of liberal international trade, free from arbitrary barriers, excessive tariffs, and discriminations, or will pay the heavy costs of narrow economic nationalism.

I am confident that the people of the United States will give these negotiations their full support and encouragement.

**PUBLIC NOTICE OF THE DEPARTMENT OF STATE<sup>1</sup>**

[Released to the press November 10]

Pursuant to section 4 of an act of Congress approved June 12, 1934, entitled "An Act to Amend the Tariff Act of 1930", as extended and amended by Public Law 130, 79th Congress, approved July 5, 1945 (48 Stat. 945, 59 Stat. 411; 19 U.S.C. Supp. V, 1354), and to Executive Order 6750, of June 27, 1934, as amended by Executive Order 9647, of October 25, 1945 (3 CFR, 1945 Supp., ch. II), I hereby give notice of intention to conduct trade-agreement negotiations with Australia, Belgium, Brazil, Canada, Chile, China, Cuba, Czechoslovakia, France, India, Lebanon (including negotiations on behalf of the Syro-Lebanese Customs Union), Luxembourg, the Netherlands, New Zealand, Norway, the Union of South Africa, the Union of Soviet Socialist Republics, and the United Kingdom, including areas in respect of which these countries have authority to conduct trade-agreement negotiations.

All presentations of information and views in writing and applications for supplemental oral presentation of views with respect to such negotiations should be submitted to the Committee for Reciprocity Information in accordance with the announcement of this date issued by that Committee concerning the manner and dates for the submission of briefs and applications, and the time and place set for public hearings.

DEAN ACHESON

*Acting Secretary of State*

WASHINGTON, D.C.,  
November 9, 1946.

**PUBLIC NOTICE OF THE COMMITTEE FOR RECIPROCITY INFORMATION**

[Released to the press November 10]

Closing date for submission of briefs, December 21, 1946. Closing date for application to be heard, December 21, 1946. Public hearings open, January 13, 1947.

<sup>1</sup> 11 *Federal Register* 13447.

*Submission of Information to Committee for Reciprocity Information*

The Committee for Reciprocity Information hereby gives notice that all information and views in writing, and all applications for supplemental oral presentation of views, in regard to the trade-agreement negotiations with the countries listed above<sup>1</sup> (including areas for which these countries have authority to conduct trade-agreement negotiations), in respect of which notice of intention to negotiate has been issued by the Acting Secretary of State on this date, shall be submitted to the Committee for Reciprocity Information not later than 12 o'clock noon, Saturday, December 21, 1946. The Committee office will remain open to receive these briefs.

Such communications should be addressed to "The Chairman, Committee for Reciprocity Information, Tariff Commission Building, Eighth and E Streets, Northwest, Washington 25, D.C."

Public hearings will be held before the Committee for Reciprocity Information, at which supplemental oral statements will be heard. The first hearing will be at 10:00 a.m. on January 13, 1947, in the Department of Commerce Auditorium in the Department of Commerce Building at 14th and E Streets, Northwest, Washington, D.C. Witnesses who make application to be heard will be advised regarding the time and place of their individual appearances.

Ten copies of written statements, either typewritten or printed, shall be submitted, of which one copy shall be sworn to. Appearances at hearings before the Committee may be made only by or on behalf of those persons who have filed written statements and who have within the time prescribed made written application for supplemental oral presentation of views. Statements made at the public hearings shall be under oath.

Persons or groups interested in import products may present to the Committee their views concerning possible tariff concessions by the

<sup>1</sup>The countries listed were: Australia, Belgium, Brazil, Canada, Chile, China, Cuba, Czechoslovakia, France, India, Lebanon (Syro-Lebanese Customs Union), Luxembourg, the Netherlands, New Zealand, Norway, the Union of South Africa, the Union of Soviet Socialist Republics, the United Kingdom.

United States on any product, whether or not included in the list of *Products On Which Possible Tariff Concessions Will Be Considered In Reciprocal Trade Agreement Negotiations* made public by the Acting Secretary of State on this date. However, no tariff concession will be considered on any product which is not included in that list or in a supplementary public list.

Persons interested in export items may present their views regarding any tariff or other concessions that might be requested of the foreign governments with which negotiations are being conducted.

Views concerning general provisions of a nature customarily included in trade agreements may also be presented.

By direction of the Committee for Reciprocity Information this 9th day of November, 1946.

EDWARD YARDLEY  
*Secretary*

WASHINGTON, D.C.,  
November 9, 1946.

## U. S.—U. K. Discussions on Bizonal Arrangements For Germany

[Released to the press November 5]

The Department of State announced on November 5 that discussions will take place in Washington, beginning on November 12, between representatives of the British and United States Governments on certain financial and economic questions related to the bizonal arrangements between the British and American zones of Germany.

The United States will be represented by the Departments of State and War, with assistance on particular issues from other governmental agencies such as the Treasury and Commerce Departments and the Reconstruction Finance Corporation. Lt. Gen. Lucius D. Clay, Deputy Military Governor of the American zone of occupation, is expected to arrive in Washington from Berlin in time to participate in the discussions.

The British Government is sending to Washington a group of experts to assist the Embassy in the discussions, including Lieutenant General Robertson, Deputy Military Governor of the British zone of occupation, Germany, and repre-

*(Continued on next page)*

# A National Bipartisan Program for Foreign Affairs

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

I shall devote all my energy to the discharge of my duty with a full realization of the responsibility which results from the present state of affairs. I do not claim for myself and my associates greater devotion to the welfare of our Nation than I ascribe to others of another party. We take the same oath of office. We have at one time or another been equally willing to offer our lives in the defense of our country. I shall proceed, therefore, in the belief that the members of the Congress will discharge their duties with a full realization of their responsibility.

Inevitably, issues will arise between the President and the Congress. When this occurs, we must examine our respective positions with stern and critical analysis to exclude any attempt to tamper with the public interest in order to achieve personal or partisan advantage.

The change in the majority in the Congress does not alter our domestic or foreign interests or problems. In foreign affairs we have a well-charted course to follow. Our foreign policy has been developed and executed on a bipartisan basis. I have done my best to strengthen and extend this practice. Members of both parties in and out of the Congress have participated in the inner council in preparing and in actually carrying out the foreign policies of our Government. It has been a national and not a party program. It will continue to be a national program insofar as the Secretary of State and I are concerned. I firmly believe that our Republican colleagues who have

worked intelligently and cooperatively with us in the past will do so in the future.

My concern is not about those in either party who know the seriousness of the problems which confront us in our foreign affairs. Those who share great problems are united and not divided by them. My concern is lest any in either party should seek in this field an opportunity to achieve personal notoriety or partisan advantage by exploitation of the sensational or by the mere creation of controversy.

We are set upon a hard course. An effort by either the executive or the legislative branch of the Government to embarrass the other for partisan gain would bring frustration to our country. To follow the course with honor to ourselves and with benefit to our country, we must look beyond and above ourselves and our party interests for the true bearing.

As President of the United States I am guided by a simple formula: to do in all cases, from day to day, without regard to narrow political considerations, what seems to me to be best for the welfare of all our people. Our search for that welfare must always be based upon a progressive concept of government.

I shall cooperate in every proper manner with members of the Congress, and my hope and prayer is that this spirit of cooperation will be reciprocated.

To them, one and all, I pledge faith with faith, and promise to meet good-will with good-will.

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## Letters of Credence

### AMBASSADOR OF CANADA

The newly appointed Ambassador of Canada, Humphrey Hume Wrong, presented his credentials to the President on November 8. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 792 of November 8, 1946.

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**Bizonal Arrangements**—*Continued from page 910*  
sentatives of the Foreign Office, Control Office for Germany and Austria, and Treasury.

The discussions will be exclusively concerned with financial and economic aspects of the bizonal arrangements which have not been worked out in Berlin or which require governmental approval.

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<sup>1</sup>Excerpts from a statement made to press and radio correspondents at the White House on November 11, 1946 and released to the press on the same date.

## U. S. Position on Polish Nationalization Developments

[Released to the press November 9]

*Text of a note of October 30, 1946 on nationalization, delivered by Gerald Keith, counselor of the United States Embassy in Poland, to the Polish Foreign Office, October 31*

I have the honor to inform Your Excellency that I have been instructed by my Government to communicate to Your Excellency's Government the following observations relative to the steps which have recently been taken by the Provisional Government of National Unity with a view to implementing the provisions of the law of January 3, 1946, regarding the nationalization of the basic branches of the Polish national economy.<sup>1</sup>

1. The Government of the United States desired to recall to the Government of Poland the provisions of numbered paragraphs 4 and 5 of the notes exchanged between the two Governments at Washington on April 24, 1946, which specifically provide: (a) that the Government of the United States and the Provisional Government of Poland will make both adequate and effective compensation to nationals and corporations of the other country whose properties are requisitioned or nationalized, and (b) that the Provisional Government of Poland and the Government of the United States agree to afford each other adequate opportunity for consultation concerning the subjects touched upon in the exchange of notes, and including that mentioned under (a) above.<sup>2</sup>

2. The Government of the United States desires once again to bring to the attention of the Provisional Government of National Unity the inadequateness of the time allowed in paragraph 28 of the order of the Council of Ministers of April 11, 1946, for foreigners to protest the nationalization of their property or to file claims under articles 2 and 3 of the nationalization law, especially in view of the provisions to be found in paragraph 75 of the order of April 11, 1946, which require the foreign firm or person concerned to choose a place

of residence within Polish territory for the receipt of official documents or to appoint an attorney with residence in Poland and in view of the fact that many weeks will unavoidably be required to identify and notify persons or firms in the United States owning or having an interest in undertakings in Poland affected by the Polish Government's nationalization program.

3. The Government of the United States desires to point out that the Polish Government has not yet announced the procedure to be followed in the processing of claims for compensation in the case of properties destined for nationalization in accordance with the provisions of article 3 of the nationalization law of January 3, 1946. The Government of the United States wishes in this connection to bring again to the attention of the Provisional Government of National Unity the fact that foreign persons and firms, whose interests are affected by the operation of the nationalization law of January 3, 1946, will require sufficient time and the accordance of adequate facilities to enable them to prepare and to present their claims for compensation, once definite notice of expropriation is received. The Government of the United States feels certain that the Polish Government will agree that a proper valuation can, in most instances, only be determined after a thorough examination of the property in question, and that, to prepare the data necessary to such a proper valuation, adequate time is needed for the actual physical examination of the property, together with complete freedom of access to all of the plans and records. The Government of the United States desires to emphasize the reasonableness of its views in this respect, and to insist upon the granting of all examination privileges which the representatives of the American interests affected may find necessary to enable them to arrive at a proper valuation of the property concerned.

4. The Government of the United States refers to the proposal contained in the note of January 17, 1946, from its Embassy in Warsaw relative to the establishment of a mixed commission, com-

<sup>1</sup> For an article on the Polish Nationalization Law see BULLETIN of Oct. 13, 1946, p. 651.

<sup>2</sup> BULLETIN of May 5, 1946, p. 761.

## American Mission to Albania Withdrawn

[Released to the press November 8]

The proposal made by the United States Government on November 10, 1945 to recognize the Albanian regime headed by Col. Gen. Enver Hoxha specified as a condition that the Albanian authorities affirm the continuing validity of all treaties and agreements in force between the United States and Albania as of April 7, 1939, the date of the Italian invasion of Albania. The requirement of such an assurance from the Albanian regime as a prerequisite to United States recognition is in accord with the established practice of this Government to extend recognition only to those Governments which have expressed willingness to fulfil their international obligations. The Albanian regime on August 13, 1946, after a delay of nine months, indicated its acceptance of the multilateral treaties and agreements to which both the United States and Albania are parties, but it has failed to affirm its recognition of the validity of bilateral instruments between the United States and Albania.

In view of the continued unwillingness of the present Albanian regime to assume these bilateral commitments and obligations, which are in no instance of an onerous character and concern such customary subjects as arbitration and conciliation, naturalization, extradition, and most-favored-nation treatment (see the appended list), the United States Government has concluded that the American Mission can no longer serve any useful purpose by remaining in Albania. This decision has been notified to General Hoxha by the Acting American Representative in Tirana, George D. Henderson, in a letter of November 5, the text of which is as follows:

Since arriving in Tirana on May 8, 1945 to survey conditions in Albania in connection with the question of United States recognition of the existing Albanian regime, the informal United States Mission has sought to bring about mutual understanding and the establishment of diplomatic relations between the Governments of the United States and Albania. Despite United States en-

posed of an equal number of representatives of each Government, with a view to reaching a decision concerning which assets, of those subject to nationalization under the provisions of the nationalization law of January 3, 1946, are owned by nationals of the United States, the amount of the compensation to be paid for each such holding nationalized by the Government of Poland, the means by which the compensation is to be paid, and concerning such related matters as may mutually be agreed upon between the two Governments. The Government of the United States wishes to reiterate the proposal contained in the note of January 17, 1946, to which reference has just been made, and to state that it regards it as of the greatest importance that the mixed commission be appointed at an early date to the end that agreements may be reached in principle on the various subjects within its competence before properties in which there is an American interest have been nationalized. The Government of the United States recalls that, in the note which the Polish Embassy in Washington addressed to the Department of State on April 24, 1946, the Polish Government expressed its willingness to begin discussions such as those referred to in the note addressed to the Ministry of Foreign Affairs by the American Embassy in Warsaw on January 17, 1946, although it held that the time for such discussions was then somewhat premature.<sup>1</sup> The Government of the United States, in the light of the steps recently taken by the Polish Government looking toward the realization of its nationalization program, feels that the Provisional Government of National Unity may, since April of 1946, have made such progress in its reconstruction planning that the holding of such discussions as those proposed in the note of January 17, 1946, may now be regarded as opportune. I should be grateful if Your Excellency would be so good as to inform me as soon as may be possible, in view of the urgency of the matter under discussion, of the views of the Polish Government with respect to the observations contained herein so that I may, in turn, inform my Government in Washington.

I avail [etc.]

<sup>1</sup> BULLETIN of Apr. 21, 1946, p. 670.

deavors in this regard, and in the absence of a satisfactory response from the Albanian Government to the offer of recognition which was tendered by the United States Government in November 1945, the Mission has been unable to achieve the purposes for which it was originally sent to Albania.

In the circumstances, although my Government retains its sentiment of warm friendship for the Albanian people, it does not feel that there is any further reason for the Mission to remain in Albania. The United States Mission is accordingly being withdrawn.

#### **Bilateral Treaties and Agreements Between the United States and Albania**

##### *Arbitration treaty*

Signed at Washington, Oct. 22, 1928. Ratifications exchanged Feb. 12, 1929; proclaimed Feb. 12, 1929. Effective Feb. 12, 1929.

##### *Conciliation treaty*

Signed at Washington, Oct. 22, 1928. Ratifications exchanged Feb. 12, 1929; proclaimed Feb. 12, 1929. Effective Feb. 12, 1929.

##### *Naturalization treaty*

Signed at Tirana, Apr. 5, 1932. Ratifications exchanged July 22, 1935; proclaimed July 29, 1935. Effective July 22, 1935.

##### *Extradition treaty*

Signed at Tirana, Mar. 1, 1933. Ratifications exchanged Nov. 14, 1935; proclaimed Nov. 19, 1935. Effective Nov. 14, 1935.

##### *Agreement relating to most-favored-nation treatment and other matters*

Signed at Tirana, June 23 and 25, 1922. Effective July 28, 1922.

##### *Agreement effected by exchange of notes for the waiver of passport visa fees for non-immigrants*

Signed at Tirana, May 7, 1926. Effective June 1, 1926.

##### *Money order convention*

Signed Apr. 13 and June 18, 1932. Effective July 1, 1933.

<sup>1</sup> BULLETIN of Nov. 3, 1946, p. 826.

## **Provisions for Payment of National Solidarity Tax on American Assets in France**

[Released to the press November 8]

*Text of statement released in Paris on November 7, 1946 by Jefferson Caffery, American Ambassador to France*

In pursuance of conversations between officials of the French Government and those of the American Embassy, the French Minister of Finance has made the following decision regarding the national enrichment tax)."

"1. American citizens, domiciled outside of France, have until December 31, 1946 in which to file their declarations for the impost of national solidarity, and until February 28, 1947 in which to pay the first two installments regardless of the date on which they receive their tax bills.

"2. American assets in France, which by their nature would have been transferable under the terms of *avis* numbers 35 and 53 of the Ministry of Finance but which had not been transferred on June 4, 1945 owing to circumstances beyond the control of the creditors, will not be subject to the impost of national solidarity (capital levy and enrichment tax)."

The two *avis* mentioned in the preceding paragraph appeared respectively in the *Journal Officiel* of April 15, 1945 and of October 5, 1945.

## **Immigration Visas for Estonian Refugees**

### **STATEMENT BY THE PRESIDENT**

[Released to the press by the White House November 2]

On October 24 I announced that I had directed that all avenues be explored toward enabling the 48 Estonian refugees who recently entered the United States without immigration visas to remain here, if they so desired, so that they might eventually become citizens of this country.<sup>1</sup>

I am pleased to announce that as a result of the joint efforts of the Secretary of State and the Attorney General, these refugees will definitely not be deported and will in due course be given immigration visas which will enable them to remain in this country.

## Property Tax on Czechoslovak Holdings

[Released to the press November 8]

The Department of State has been informed by the American Embassy at Praha that the Czechoslovak capital levy and war profits tax, on the increase in the value of property between January 1, 1939 and November 15, 1945, imposed by law no. 134 of May 15, 1946, has been declared effective September 30, 1946. Tax returns must be submitted prior to November 30, 1946.

On the basis of the information currently available, the Department understands that United States citizens owning real estate, commercial enterprises, currency, bank accounts, securities, insurance policies, valuable metals, precious stones, jewelry, objects of art, antiques, and coin, stamp, and other collections, located in Czechoslovakia should file returns in the tax district in which the property is located. The law now requires returns also to be filed by United States citizens who hold claims in Czechoslovakia. Such claims may arise in connection with confiscation of property during the occupation as a result of racial or other legislation, war damage to property, nationalization of property by the Czechoslovak Government, patent rights, and insurance policies.

The Department suggests that all United States citizens holding such property or claims who have authorized agents in Czechoslovakia communicate with such agents immediately to insure that the returns will be filed for them by the latter and that those who do not have agents in Czechoslovakia make arrangements immediately for the filing of such returns.

## Radio Broadcast on UNESCO

On November 9 the Assistant Secretary of State for Public Affairs, William Benton, and the deputy chairman of the American delegation to the General Conference of UNESCO, Archibald MacLeish, discussed with Sterling Fisher, director of the NBC University of the Air, the question, "Can UNESCO Help To Prevent a Third World War?" This program was one in a series entitled "Our Foreign Policy", presented by NBC. For a complete text of the radio program, see Department of State press release 799 of November 9, 1946.

**Duncan Wall**—Continued from page 906

Denmark, Egypt, France, India, the Netherlands, the Republic of the Philippines, Poland, the United Kingdom, and the United States.

In addition, the Economic and Social Council was invited to send two representatives, one to speak especially for the ITO Preparatory Commission, and the following specialized intergovernmental agencies one representative each: International Labor Organization, World Health Organization, International Bank for Reconstruction and Development, International Monetary Fund. These agency representatives were not to be entitled to vote, but to participate in discussions as advisers.

The Preparatory Commission was directed to make its report to the Director General, to be circulated to member governments of FAO and to international agencies concerned. Then the report is to be considered by an FAO Conference, and passed on with the FAO recommendations to the United Nations through appropriate channels.

Formally opening the Conference, His Majesty, King Christian X, of Denmark, said: "I wish the leaders and delegates of this Conference every success in meeting the great difficulties and tasks which face them, in order that this Conference may contribute to mutual understanding among nations, to the progress of mankind, and to the improvement of the life of all who are suffering from hunger and want."

In the closing session of the Conference, Sir John Boyd Orr, Director General of FAO, said, "I am sure that all members of the delegations will go away from this Conference feeling that a beacon light in international relations, illuminating afresh the common objectives of the United Nations, has been shed from here."

## Agriculture in the Americas

The following article of interest to readers of the BULLETIN appeared in the December issue of *Agriculture in the Americas*, a publication of the Department of Agriculture, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each:

"Pineapples in Northeast Brazil", by Bentley B. Mackay, agricultural adviser, American Consulate, Pernambuco (Recife), Brazil.

## United States Exports of Housing Materials

BY PAUL H. NITZE<sup>1</sup>

Many people believe that large quantities of housing materials, particularly lumber, are being exported from the United States to the detriment of the Veterans Emergency Housing Program. I am grateful, therefore, to the American Legion and to its special Committee on Housing for this opportunity to correct this impression.

Before discussing the exports of building materials in detail, I should like to make some general observations.

The United States entered the war and emerged from the war with the conviction that the American system of free enterprise was indispensable and that American leadership in working for economic health in the rest of the world was essential to our continued security.

An active and large export trade is indispensable in carrying out these policies. If exports were prohibited, we could hardly expect to obtain from foreign countries the many commodities in which the United States is deficient and which we need for our industry. This country certainly could not achieve or maintain high levels of income and employment or continuing prosperity without an active and large international trade. Our aims, both before and since the war, in the field of commercial policy have been to promote as vigorously as possible an expansion of world trade and employment through the reduction of those barriers and discriminations which developed in the period before the war and still threaten.

Although this country is notably well equipped with natural resources and production facilities of most kinds, we nevertheless depend upon heavy importations for a great many materials basic in our industrial structure. Everyone knows that in the United States we do not have resources of tin.

<sup>1</sup>Address made before the National Housing Conference of the American Legion in Washington on Nov. 7 and released to the press on the same date. Mr. Nitze is Acting Director, Office of International Trade Policy, Department of State.

Everyone knows that we do not produce natural rubber. What is often overlooked is that a number of materials are needed in our industry—needed even in the construction of houses—which, although produced to some extent in the United States, are not produced in adequate quantities to satisfy all our needs. I have in mind commodities such as copper of which we shall have to import something like one fourth to one third of our total consumption. I have in mind asbestos of which we must import the preponderance of our consumption. I have in mind lead which at present is in short supply everywhere and of which again we must import a very substantial part of our total consumption. I have in mind even lumber, about which I shall have more to say later, which we have imported and must continue to import in considerable quantities. I have in mind nickel, not produced at all in the United States but indispensable in the manufacture of a thousand and one items used in the construction of houses and household equipment. One could go on with this kind of listing. One could add various other basic industrial materials, also. One could add such foodstuffs as coffee, sugar, cocoa, and even pepper. What I am emphasizing is the importance of international trade in maintaining active industry and adequate provisions for consumers in this country.

Veterans need housing. There is no question but that the present need is particularly acute while we are still in the transition from war to peace. That need has been recognized by the government to a greater extent than any other immediate post-war need. Measures taken in order to promote the availability of materials needed for the production of houses have been vigorous. We have recognized the need to provide for a housing program in our policy with respect to trade controls. The Department of State, as a matter of broad policy, recognizes that during the emergency period of transition to a full peacetime economy

nearly all nations occasionally may have to employ controls over items in short supply to facilitate reconstruction and rehabilitation. A recent presidential proclamation suspends the duty on certain housing materials made from lumber during the housing emergency. Also, there have been in effect for some time export controls over materials and products needed for the carrying out of the Veterans Emergency Housing Program.

Exports of housing materials are limited by agreement between the National Housing Agency, Civilian Production Administration, and the Department of Commerce. The three agencies acting in consultation determine what the export quota shall be for a particular housing item. The Department of Commerce then issues export licenses within the limits of the export quota. All applications for export licenses are screened carefully by the Department of Commerce. The end use of each item is scrutinized and the size of each shipment considered. The total foreign request for United States lumber in 1945 was 1 billion, 200 million board feet. This request was scaled down in the screening process and only 395 million board feet were actually exported—about one third of the quantity requested. We feel that exports have been limited to an irreducible minimum.

Exports of lumber, one of the principal materials used in housing, are being limited in 1946 to 600 million board feet, or less than 2 percent of the total production in the United States, which is expected to be 33 billion board feet. Approximately twice as much lumber was exported per year in the pre-war years 1935 to 1939 as is now exported.

Exports of housing materials other than lumber are small, also, in comparison with domestic production. Exports of bathtubs are being restricted in 1946 to 1.7 percent of domestic production; closet bowls and water closets, 3.6 percent; asbestos roofing, 1 percent; gypsum board and lath, 0.4 percent; stoves, 2.2 percent; furnaces, 0.5 percent; nails, 2.3 percent; linoleum, 1 percent; and standard portland cement, 1.6 percent. Figures for practically all housing items show that exports are small compared with domestic production.

How do exports of housing items compare with exports of other items? Whereas exports of hous-

ing items generally amount to less than 3 percent of the housing items produced, total exports amount to 9 percent of the domestic production of all movable goods in the United States.

Despite the foregoing, you may ask, "Why export any building materials?" I anticipated this question in my preliminary remarks, and I shall elaborate it further here.

The United States imports from two to three times as much lumber as it exports. In 1945 the United States imported more than 1 billion board feet of lumber and exported only 395 million board feet. Most of our lumber imports came from Canada which is also one of our chief countries of destination for lumber exports.

Of the 395 million board feet of lumber exported in 1945, approximately 30 to 35 percent was softwood in timber sizes. These timbers are made principally by tidewater mills on the Pacific Coast and generally the mills are not equipped to make other kinds of lumber. The timbers are not normally used in home construction but, instead, are exported for use in heavy construction such as port facilities, railroads, shipbuilding, mining, petroleum, and other forms of industrial construction.

Another 30 percent of the 1945 exports was hardwood lumber. Only a small part of this hardwood was suitable for use in housing.

Thus, the balance, or only from 30 to 40 percent of the United States exports of lumber in 1945, was suitable for housing, whereas from 70 to 75 percent of the lumber imported was satisfactory for this use.

The construction of a one-family frame house requires an average of 14,000 board feet of lumber. On this basis, in 1945, we had a net import of the lumber equivalent of 44,000 houses.

If the United States restricted further the exports of lumber or other building materials, it might bring retaliation from other countries. This country cannot afford to jeopardize its imports. It should be borne in mind that imports of many materials used in housing are substantial, such as logs, lumber, plywood, shingles, copper, nickel, asbestos, and lead.

The United States is obliged to share its scarce commodities with the other American republics and Canada for the duration of the war emergency. During the war, Canada and the Ameri-

can republics signed international agreements at Hyde Park, Mexico City, and Rio de Janeiro by which they committed themselves to share scarce items with each other.<sup>1</sup> This country fulfils its obligations, and it has not forgotten that during the conflict many of the countries south of our borders supplied us with rubber for use in tires on ordnance vehicles; Ecuador supplied us with balsa wood for use in airplanes and life jackets; several countries supplied us with mahogany for use in P-T boats; Mexico supplied us with lead for use in aviation gasoline, bullets, and batteries; Bolivia supplied us with tin for use in food containers; Brazil supplied us with quartz crystals for use in radios; and Canada supplied us with lumber for use in Army camps and shipyards, asbestos fiber for use in brake linings and clutch facings on ordnance vehicles, and nickel for use in projectiles and armor plate.

Limited quantities of housing materials are exported to Europe and the Orient for use in reconstruction and rehabilitation. These shipments are made in accordance with the President's announced policy of assisting these areas. Available information indicates that the war-devastated countries of Europe will receive from all sources only 53 percent of their 1946 lumber requirements. The quantity of lumber which these countries will receive will be only 45 percent of the quantities that they received in 1937. The United States, on the other hand, with no war devastation, will have more lumber available in 1946 for its own use than in any of the pre-war years, 1935-1939 inclusive. In 1937, a peak year, the United States had 28 billion board feet of lumber available for its own use, compared with an expected 33 billion board feet in 1946. These figures are arrived at by adding imports to domestic production and then deducting exports. Thus, the United States in 1946 should have available for its own use about 120 percent of the quantity which it had in 1937, compared with 45 percent for the European countries previously mentioned.

To sum up, the facts clearly indicate that the

<sup>1</sup> BULLETIN of Apr. 26, 1941, p. 494; *Report of the Delegation of the United States of America to the Inter-American Conference on Problems of War and Peace* (Department of State publication 2497, Conference Series); BULLETIN of Feb. 7, 1942, p. 117.

volume of exports of housing materials is extremely small. Exports represent the rock-bottom minimum of building materials needed to meet the requirements of foreign countries. Further curtailment of exports is likely to be detrimental rather than helpful to the Veterans Emergency Housing Program. In periods of shortages such as we are now passing through, our refusal to sell to other countries the things they badly need may result in a decrease in the imports of the materials we want for our domestic program.

I know that you veterans are not building for today alone. You have your eyes on the future. When you keep your eye steadily on the things that you want your Government to do in order to make a better and more peaceful world to live in, you see that the issue we are discussing today broadens and merges into the terms on which we can trade all kinds of goods with all countries. We all want to build an economic world of increasing production, of full employment, and of high levels of world trade. That is the kind of world this Government is trying to bring about by its economic foreign policy.

## Commerce Over Alaska Highway Authorized

[Released to the press November 7]

It was announced on November 7 in Washington and Ottawa that authorization has been given for the shipment of goods in bond from points in the United States to points in Alaska, and from points in Alaska to points in the United States over the Alaska Highway and connecting roads. This action has been taken in implementation of undertakings of the Canadian Government which were made at the time authorization was given to the United States Government to construct the Alaska Highway.

Although construction of the Alaska Highway system, including the so-called Haines Cut-off, was undertaken solely for military reasons, its post-war utility for civilian traffic was foreseen, and provision was made for the use of the system by United States traffic on the same terms as Canadian traffic. The United States, by an exchange of notes of March 17-18, 1942, agreed that at the conclusion of the war that part of the Highway which

lies in Canada should become in all respects an integral part of the Canadian Highway system.<sup>1</sup> In return, Canada agreed that United States civilian traffic could use the Alaska Highway on the same conditions as Canadian traffic and undertook specifically "to waive import duties, transit, or similar charges on shipments originating in the United States and to be transported over the Highway to Alaska or originating in Alaska and to be transported over the Highway to the United States".

By a further exchange of notes of November 28–December 7, 1942, it was agreed that the so-called Haines Cut-off should be considered an integral part of the Alaska Highway and in all applicable respects subject to the agreement reached in the exchange of notes of March 17–18, 1942.<sup>2</sup> There was a further and clarifying exchange of letters of April 10, 1943, which assured United States civilian traffic adequate access to the southern terminus of the Alaska Highway.<sup>3</sup> The post-war rights made available to the United States civilian traffic under these exchanges of notes have not previously been made available, as the road has continued to be a military highway not open to general public use. The Canadian military authorities, continuing the practice inaugurated by the United States military authorities during the war period, have heretofore permitted civilian traffic by individual permit only, and only where such traffic was able to proceed with the limited facilities available along the route. Under these regulations United States civilian traffic has been permitted on the same terms as Canadian traffic.

The Alaska Highway system is not now in a condition which would permit general civilian traffic and it is not anticipated that it will be possible to use the road without restriction for some time to come. However, the Canadian Government has been taking active measures to improve and increase facilities along the Highway, and as the situation has improved it has permitted increased traffic. The action now taken in authorizing—so far as facilities are available—transit-in-bond of goods originating in the United States and to be transported over the Highway to Alaska or originating in Alaska and to be transported over the Highway to the United States, is taken in

anticipation of the time when the facilities on the Highway will be such as to warrant opening the road to general civilian traffic.

Suitable regulations for shipment of goods in bond on the Highway will be issued as a matter of course by the Minister of National Revenue of Canada. The following Canadian frontier ports of entry and exit have been designated: Kingsgate, British Columbia, opposite Eastport, Idaho; Coutts, Alberta, opposite Sweetgrass, Montana; and Snag Creek, Yukon Territory.

With further improvement of the Alaska Highway and connecting roads, consideration will be given in the future to the designation of further Canadian ports of entry and exit as conditions warrant.

## Special Ambassador to Mexican Presidential Inauguration

[Released to the press November 7]

President Truman has appointed as Special Ambassador for the inauguration of the new President of Mexico on December 1, Walter Thurston, Ambassador of the United States to Mexico. On December 1 President-elect Miguel Alemán is to be inaugurated as the new President of Mexico, to serve for a period of six years. Ambassador Thurston will be the head of the official mission which will represent the United States at the inauguration. The mission will comprise the following persons: Walter Thurston, Special Ambassador; Gen. Jonathan M. Wainwright, Commander of the Fourth Army at Fort Sam Houston; Lt. Gen. John K. Cannon, Commander of the Army Air Forces at Barksdale Field, Louisiana; Rear Admiral J. Cary Jones, U. S. N., representative of the United States on the Joint Mexican-United States Defense Board; and Guy Ray, Chief of the Division of Mexican Affairs, Department of State. The mission will probably also include the political counselor, the economic counselor, and the first secretary of the American Embassy at Mexico City.

As a gesture of respect and friendship for the Mexican people, the War Department plans to

<sup>1</sup> Executive Agreement Series 246.

<sup>2</sup> Executive Agreement Series 382.

<sup>3</sup> Executive Agreement Series 362.

send on the occasion of the forthcoming inauguration in Mexico City an air-demonstration group which will include squadrons of each of the following types of planes: Shooting Stars, Mustang fighters, and attack bombers.

The Navy Department also plans to send four squadrons which will be composed of about 36 two-motor planes to take part in the inauguration. Both these Army and Navy planes will arrive at Mexico City not later than November 30 and will probably remain through December 4, when the officers and members of the crews will take part in ceremonies to be arranged by the Mexican military authorities.

The Mexican Ambassador in Washington has expressed to the Department of State, on behalf of his Government, appreciation of the gesture of the War and Navy Departments in sending these planes to Mexico City for the inauguration.

### **Caribbean Commission and Auxiliary Bodies Established**

[Released to the press by the Caribbean Commission, Secretary-General's Office, October 30]

An agreement for the establishment of the Caribbean Commission was signed at the Department of State on October 30 on behalf of the Governments of France, the Netherlands, the United Kingdom, and the United States. The agreement was signed for France by Henri Bonnet, Ambassador of France; for the Netherlands by Dr. A. London, Ambassador of the Netherlands; for the United Kingdom by Lord Inverchapel, British Ambassador; and for the United States by Charles W. Taussig, Chairman, United States Section, Caribbean Commission.

The agreement formally establishes the Caribbean Commission, together with its auxiliary bodies, the Caribbean Research Council and the West Indian Conference, as an international advisory body to the four signatory Governments, each of which has territories in the Caribbean area.

The agreement provides for the establishment of a permanent secretariat in the Caribbean area. Following the formulation of the terms of the agreement in July 1946, Lawrence W. Cramer was appointed Secretary-General. Two other senior

members of his staff also have been appointed, and further staff is being recruited in the Caribbean area. A suitable building has been acquired in Port-of-Spain, Trinidad, to accommodate the secretariat.

The purposes of the agreement are set forth in the preamble, which reads in part as follows:

Being desirous of encouraging and strengthening cooperation among themselves and their territories with a view toward improving the economic and social well-being of the peoples of those territories, and

Being desirous of promoting scientific, technological, and economic development in the Caribbean area and facilitating the use of resources and concerted treatment of mutual problems, avoiding duplication in the work of existing research agencies, surveying needs, ascertaining what research has been done, facilitating research on a cooperative basis, and recommending further research, and

Having decided to associate themselves in the work heretofore undertaken by the Anglo-American Caribbean Commission, and

Having agreed that the objectives herein set forth are in accord with the principles of the Charter of the United Nations.

### **Pan American Union Elects Chairman of Governing Board**

[Released to the press November 7]

The annual elections for chairman and vice chairman of the Governing Board of the Pan American Union were held at the regular meeting of November 6. Before the Mexico City conference in 1945, the permanent chairman had been the United States Secretary of State. Resolution IX of Mexico City provided that the chairman should be elected annually and should not be eligible for immediate reelection. A subsequent Governing Board decision provided that elections for both chairman and vice chairman should be held at the first meeting in November of every year, that there should be no nominations, that the ballot should be secret, and that a two-thirds majority should be required for election. Failing a two-thirds majority, however, a special meeting of the

Governing Board would be held at which a simple majority would suffice.

The November 6 elections were the first held under the new rules. On the first ballot, the Honorable Spruille Braden, United States Assistant Secretary of State, was elected by a vote of 17 to 1 (18 members being present and voting and Mr. Braden casting his vote for the representative of Colombia). Mr. Braden, expressing his gratitude for the honor, nevertheless stated to the Board upon the conclusion of this election that he felt obliged to decline it having in mind the basic principle of sovereign equality before the law among the American republics, which had been given expression at Mexico City in the decision to provide for rotation of the chairmanship. He pointed out that until very recently his Government had enjoyed the honor of the chairmanship. Consequently, he felt that in the spirit of Mexico City the election should go to some other member of the Board. As a consequence, another vote was taken at which Dr. Antonio Rocha, Special Ambassador of Colombia to the Pan American Union, was elected chairman by a vote of 17 to 1. No vice chairman was elected in view of the failure of any candidate to receive the necessary two-thirds majority.

## Joint American-Philippine Financial Commission

[Released to the press November 4]

The Department of State announced on November 4 that President Truman and President Roxas had agreed to establish a joint American-Philippine Financial Commission to study the financial and budgetary problems and needs of the Philippine Government.

The Joint Commission will consider the entire range of Philippine budgetary and financial problems and report its findings and recommendations to both the United States and Philippine Governments.

Under the terms of the agreement, the Commission will consist of three Americans and three Filipinos to be appointed by the respective heads of Government.<sup>1</sup> There will be two co-chairmen, a Filipino and an American. The American membership is expected to be composed of a representa-

tive of the State Department, a representative of the Treasury Department, and a representative of the Board of Governors of the Federal Reserve System. The Commission will do its work primarily in Manila.

President Roxas stated that he was very happy to welcome this further evidence of the interest of the United States Government in the welfare of the Philippines.

## THE CONGRESS

Problems of American Small Business: Hearings Before the Special Committee To Study and Survey Problems of Small Business Enterprises, United States Senate, Seventy-ninth Congress, second session, pursuant to S. Res. 28 (79th Congress) (Extending S. Res. 298—76th Congress), a resolution to appoint a special committee to study and survey problems of American small business enterprises. Part 95, World Food Supplies in Relation to Small Business: IV, June 14 and 15, 1946. v, 101 pp. [Department of State, pp. 10771-10775].

Pearl Harbor Attack: Hearings Before the Joint Committee on the Investigation of the Pearl Harbor Attack, Congress of the United States, Seventy-ninth Congress, second session, pursuant to S. Con. Res. 27 (as extended by S. Con. Res. 49, 79th Congress), a concurrent resolution authorizing an investigation of the attack on Pearl Harbor on December 7, 1941, and events and circumstances relating thereto. In 39 parts.

International Abolition of Conscription: Hearings Before the Committee on Military Affairs, House of Representatives, Seventy-ninth Congress, second session, on H. Res. 325, a resolution urging an immediate international agreement to eliminate compulsory military service from the policies and practices of all nations. February 27 and 28, 1946. iii, 83 pp.

Accounting Practices of the War Shipping Administration and United States Maritime Commission: Hearings Before the Committee on the Merchant Marine and Fisheries, House of Representatives, Seventy-ninth Congress, second session, pursuant to the authority of H. Res. 38, a resolution authorizing an investigation of the national defense program as it relates to the Committee on the Merchant Marine and Fisheries. Part 1, July 17, 22, and 24, 1946. iii, 455 pp.

International Court of Justice. Senate Resolution 106 as passed by the Senate on August 2, 1946, together with the Report of the Committee on Foreign Relations submitted by Mr. Thomas of Utah on July 25, 1946 relative to proposed acceptance of compulsory jurisdiction of International Court of Justice by United States Government. Presented by Mr. Thomas of Utah, August 2 (legislative day, July 29), 1946. S. Doc. 259, 79th Cong. 13 pp.

<sup>1</sup> Concluded by an exchange of notes on Sept. 13 and 17, 1946 at Manila.

# Publications

of the DEPARTMENT OF STATE

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

**The United Nations Conference on International Organization.** San Francisco, California, April 25-June 26, 1945. Selected Documents. Conference Series 83. Pub. 2490. 992 pp. \$2.75 (buckram).

Documents of the San Francisco conference of general interest, including a section on amendments to and comments on the Dumbarton Oaks Proposals, verbatim minutes of plenary sessions, reports of committees, and literal prints of final documents.

**Transition From League of Nations to United Nations.** Article by Henry Reiff. United States-United Nations Information Series 5. Pub. 2542. 18 pp. 10¢.

An article outlining the transfer to the United Nations of functions, activities and assets of the League of Nations. Texts of documents are given in the appendix.

**The United Nations for Peace and World Progress.** United States-United Nations Information Series 9. Pub. 2593. Poster. Free.

Shows the organization and goals of the United Nations.

**Organizing the United Nations.** A series of articles from the *Department of State Bulletin*. United States-United Nations Information Series 6. Pub. 2573. 57 pp. 25¢.

An address by John G. Winant, U. S. Member of the Economic and Social Council, and articles by officers of the Department of State on political, economic, social, and legal functions of the United Nations and its organs.

**The Economic and Social Council of the United Nations.** The United States and the United Nations Report Series 3. Pub. 2600. 74 pp. 20¢.

Report to the Secretary of State by John G. Winant, U. S. Member on the Council, July 15, 1946. Includes background information on the Council, a discussion of its functions, and reports of its commissions.

**Foreign Affairs Outline No. 6—Understanding Among Peoples—How Can We Increase It?** United States-United Nations Information Series 8. Pub. 2589. 4 pp. Free.

An explanation of what the United Nations and the United States are doing for the advancement of understanding among peoples.

**Foreign Affairs Outline No. 7—The International Trade Organization—How Will It Work?** Commercial Policy Series 92. Pub. 2597. 8 pp. Free.

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**Foreign Affairs Outline No. 8—Goals for the United Nations—Political and Security.** United States-United Nations Information Series 10. Pub. 2623. 4 pp. Free.

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**Foreign Affairs Outline No. 10—Occupation—Why? What? Where?** Pub. 2627. 4 pp. Free.

An explanation of U. S. occupation of defeated and of liberated countries as a part of our foreign policy.

**Foreign Affairs Outline No. 11—What We Are Doing in Germany—And Why.** European Series 14. Pub. 2621. 4 pp. Free.

A definition of U. S. policy in occupied Germany and a description of current problems.

**Foreign Affairs Outline No. 12—What We Are Doing in Japan—And Why.** Far Eastern Series 15. Pub. 2633. 4 pp. Free.

Demilitarization and democratization listed as the objectives of the U. S. and its Allies in occupied Japan.

**Activities of the Interdepartmental Committee on Scientific and Cultural Cooperation, June 30, 1946.** Inter-American Series 31. Pub. 2622. 45 pp. 15¢.

A report on the background and current activities of the Committee in its cooperation with the governments of the other American republics.

**Suggested Charter for an International Trade Organization of the United Nations.** September 1946. Commercial Policy Series 93. Pub. 2598. 47 pp. 15¢.

An elaboration of the United States *Proposals for Expansion of World Trade and Employment* prepared by a technical staff within the Government of the United States and presented as a basis for public discussion.

**New Horizons for World Trade.** Commercial Policy Series 90. Pub. 2591. 12 pp. Free.

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An account of U.S. foreign economic policy, aiming to expand and liberalize trade throughout the world.

**International Trade and the British Loan.** Commercial Policy Series 91. Pub. 2595. 10 pp. 10¢.

A group of eight charts with annotations.

**Private Enterprise in the Development of the Americas.** Inter-American Series 32. Pub. 2640. 14 pp. 10¢.

Address by Assistant Secretary Braden on the participation of U.S. private enterprise in the development of the other American republics.

**Restatement of U.S. Policy on Germany.** Address by the Secretary of State. Delivered in Stuttgart, Germany, September 6, 1946. European Series 13. Pub. 2616. 17 pp. 5¢.

**The Distribution of Reparation From Germany.** The Paris Agreement on Reparation from Germany; the Inter-Allied Reparation Agency; the Final Act of the Paris Conference on Reparation. European Series 12. Pub. 2584. 21 pp. 10¢.

Includes articles by John B. Howard, Special Adviser to James W. Angell, U.S. Representative on the Allied Commission on Reparations for Germany and U.S. Delegate to the Paris Conference on Reparation.

**The Present Status of German Youth.** By Henry J. Kellermann. European Series 11. Pub. 2583. 25 pp. 10¢.

A description of the problems of German youth after the collapse and the policies pursued by the several occupying powers in meeting these problems.

**Report of United States Education Mission to Japan.** Far Eastern Series 11. Pub. 2579. 62 pp. 20¢.

Summary of report submitted to General MacArthur, SCAP. Covers child and adult education and teacher training and recommends a drastic reform of the Japanese written language.

**Trial of Japanese War Criminals.** Documents: (1) Opening Statement by Joseph B. Keenan, Chief of Counsel, (2) Charter of the International Military Tribunal for the Far

East, (3) Indictment. Far Eastern Series 12. Pub. 2613. 104 pp. 20¢.

**The Textile Mission to Japan—Report to the War Department and to the Department of State, January–March 1946.** Far Eastern Series 13. Pub. 2619. 39 pp. 15¢.

A survey of Japan's textile capacity and operational problems. With tables.

**Report of the Mission on Japanese Combines.** Part I. Analytical and Technical Data. Far Eastern Series 14. Pub. 2628. Processed material. 230 pp. 75¢.

Report to Department of State and War Department concerning the oligarchy (Zaibatsu) which controlled the economic structure of Japan.

**Provisional Administration of Venezia Giulia.** Agreement Between the United States of America, the United Kingdom of Great Britain and Northern Ireland, and Yugoslavia—Signed at Belgrade June 9, 1945. Executive Agreement Series 501. Pub. 2562. 2 pp. 5¢.

Agreement on the area in Venezia Giulia to be under the command and control of the Supreme Allied Commander, and provisions for administration. With map.

**Voluntary War Relief During World War II.** A Report to the President by the President's War Relief Control Board. Pub. 2566. 73 pp. 15¢.

An account of the activities of the President's War Relief Control Board from July 1942 to May 1946. With a tabulation of contributions collected and disbursed from September 1930 to December 1945.

**Report of the West Indian Conference, Second Session, St. Thomas, Virgin Islands, United States of America, February 21 to March 13, 1946.** Conference Series 88. Pub. 2615. 86 pp. Free.

Reports of committees and texts of principal addresses.

**8th Report to Congress on Operations of UNRRA.** Under the Act of March 28, 1944. As of June 30, 1946. Pub. 2617. 68 pp. 15¢.

The President's letter of transmittal to Congress and quarterly report. The appendixes contain tables on (1) the U. S. contribution and (2) over-all UNRRA operations.

**Foreign Service List, July 1, 1946.** Pub. 2629. 151 pp. Subscription price 50¢ a year, 65¢ foreign; single copy 20¢.

A quarterly list of officers in the American Foreign Service, their classification and assignment as of July 1, 1946. With a description of consular districts and tariff of U. S. Foreign Service fees.

*A cumulative list of the publications of the Department of State, from Oct. 1, 1929 to July 1, 1946 (Pub. 2609), may be obtained from the Department of State.*

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*Vol. XV, No. 386  
November 24, 1946*



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*The Department of State* bulletin

VOL. XV, No. 386 • PUBLICATION 2697

November 24, 1946

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, 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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Published with the approval of the  
Director of the Bureau of the Budget

## UNITED STATES INTERESTS IN WORLD FOOD PROBLEM

by James A. Stillwell

*We readily recognize what extreme food shortages would mean to our own economy, but few of us realize the dependence of our best interests upon solution of food problems in other parts of the world. Yet our sincere consideration should be given to making available enough food so that people of the destitute areas can regain the health and peace of mind necessary to achieve international understanding and lasting peace.*

The most immediate and urgent problem we face is one of continuing the fight to prevent mass starvation in the devastated areas of the world and to find a way of making available enough food so that the people of the war-torn areas can regain the health and strength necessary to revive their own economies. Shipments of food from the United States to the war-torn areas will diminish as rapidly as those areas can replace them with food grown at home and with the purchases of food which they are able to make in other parts of the world as their foreign-exchange position improves. Our most urgent concern should be with making available enough food so that the people of the destitute areas can regain the health, vigor, and peace of mind essential to meet the tremendous task of achieving international cooperation and, ultimately, an everlasting peace for the world.

It is appropriate to review the events which led us through one of the gravest emergencies we

have had to face in this century, and then to outline just one of the problems of world economy which must be faced and solved in the immediate future if we expect mankind to seek peaceful solutions to all other economic and political ills.

During the long war years in Europe and in the Far East, the diet of civilians became painfully limited, not only in quantity but also in variety. Although the Axis-dominated countries of both Europe and Asia were forced to produce large quantities of food, a major portion of that production was confiscated by the occupying powers to feed their vast armies and industrial workers producing military equipment. At the end of the war in Europe, as well as in Asia, normal supply lines immediately broke down and the depleted local stocks of food quickly disappeared before the Allied forces and the new governments of the liberated countries had an opportunity to establish distribution systems. When the first new crops were harvested the long-suffering people naturally began to eat as much as they could obtain.

The newly formed governments in the liberated areas were not strong enough to maintain the strict rations that would have been required to conserve and spread properly the meager supply of food throughout the year. It is not surprising then that the losses of potential food stocks resulting from the disastrous drought and locust plagues in southern Europe and in many parts of Asia immediately created what was perhaps the worst world-wide famine condition ever witnessed. Approximately two-thirds of the world's population faced starvation during the winter months of 1945-46. Had it not been for the tremendous efforts and the generosity of the American people and the people of the other surplus areas of the world, many millions would have starved.

Fortunately, during the war, miracles of food production had been wrought by American agriculture. With only 15 percent of the nation's labor forces in their ranks, the farmers of the United States brought food production 30 percent above the pre-war level and held it there. Fortunately, this production was not only maintained at that high level but was also slightly increased during the first crop-year after the war. This tremendous food production in the United States played a major part in averting mass starvation, for the enormous demands made by the starving nations fell in a large measure upon the American people.

Once the facts were laid before the public, and the Famine Emergency Committee entered the fight in the conservation of food in our own domestic economy, the job was successfully accomplished. From January of this year through July 15, we exported more than 225 million bushels of grain, and from July 1945 to July 1946 this country exported 417 million bushels of wheat as well as huge quantities of fats and oils, meats, dairy products, and other foods. It was truly a colossal job which never could have been accomplished had it not been for the full cooperation of consumers, farmers, the trades, civic organizations, the press, and the radio.

Although actual mass starvation has been averted, we have accomplished an emergency job in an emergency fashion. It must be remembered that many millions of people in Europe and Asia have been forced to subsist on diets of less than

1,500 calories a person a day. Of that limited diet, 60 to 80 percent consisted of grain or grain products. Several millions of people in both Europe and Asia received 1,000 calories or less a day for the last three or four months preceding the new harvest.

Such diets certainly do not develop peaceful minds. The result of such pitifully inadequate diets is destructive malnutrition which nourishes only disease, unrest, and hate. We must face this problem immediately.

Once more fortune has smiled on our farms and fields. Our new grain crop has set a new all-time record. The Canadian grain crop is also one of the largest ever produced in that country. Crops throughout Europe have tremendously improved. Most of the countries of Europe will realize grain production of from 70 to 80 percent of pre-war normal. The prospects for the rice crops in India and the Far East, which are currently being harvested, are estimated to be near pre-war normal. This is a very encouraging picture. But the famine crisis has not ended. Let us briefly examine the facts.

Carry-over stocks in many of the countries of Europe and Asia had been depleted to almost zero by the time the new crops were harvested. The carry-over stocks in the four major grain-surplus areas were 450 million bushels less on July 1, 1946 than on July 1 of last year. The carry-over stock in the United States was down to the level of 100 million bushels—one of the lowest in 20 years. During the war years our carry-over stock was as high as 600 million bushels, and we considered it only a reasonably good reserve against the wartime demands of our military forces and our fighting Allies.

It is to be expected that all of the famine countries must increase their rations during the current year if they are to maintain a healthy working population. Since they cannot look forward to increases in meats, fats and oils, and sugar, the major portion of any increase must come from bread grains. Even with their greatly increased production they will not be able to meet the requirements. They must look primarily to the United States and Canada. If demands cannot be met by these two countries, they will have to look elsewhere.

Officials of the Department of Agriculture tell us that we must look forward to exporting 400 million bushels of bread grains during this crop year and even that amount will be considerably less than the demands placed upon us. If we meet these demands and if we build up our reserves so that the carry-over next July is not dangerously low, as it was this year, there will be no grain for us to waste. There will not be enough to go around if we eat it, feed it, and use it up at the rate we did in 1943, 1944, and 1945. The President recognized this situation in a letter which he recently addressed to three of his Cabinet members. In that letter he directed the establishment of a Cabinet subcommittee to maintain a continuous review of the world food situation and to recommend action which must be taken by this Government to fulfil its responsibilities in meeting world demands for food. He pointed out that, in spite of the record grain crops in other areas of the world, the carry-over stocks were so very short that there was an urgent need for developing a coordinated program to conserve grains and other essential foods. He directed the Cabinet subcommittee to study immediately the problem of setting up export goals and to present all of the essential facts necessary to keep the American people fully and accurately informed of the changes in the world food situation and of the steps which this Government will take to fulfil its responsibilities.

Although we have had many shipping difficulties in the past they have always been sufficiently overcome to meet emergency situations. We again face a tremendous problem of transporting and handling the amount of grain and other supplies which the deficit areas of the world need so badly from the United States. Because of the growing demand upon our inland transportation from the increased industrial activity in this country our railroads are now handling car loadings at an unprecedented weekly rate. They are handling approximately 920 to 940 thousand freight-car loadings a week. This includes raw material; semi-finish materials, such as the materials needed in the housing program; and the greatly increased production of consumer products; but the demand for movement of such supplies has grown so tremendously in recent weeks that the car loading should reach well over a million cars a week. The

railroads simply do not possess the equipment to handle such demands.

It would require less than nine percent of the total weekly car loadings to transport the grain supplies necessary to meet the schedule of our export demands, but because of the tremendous domestic demands upon our railway systems less than half of the required quantity of grain is being moved weekly.

With the world so urgently in need of the maximum quantity of bread grains which can be supplied from the United States it would be tragic irony if these supplies, readily available throughout this country, cannot be transported over our inland-transportation systems.

Much discussion has taken place during the past several weeks concerning the announced termination of UNRRA's work in Europe at the end of this year and in the Far East early next year. The officials of this Government believe that emergency relief through UNRRA can soon be terminated. Natural recovery which comes through revival of international trade must be encouraged. The emphasis, therefore, should be placed on assistance of a more permanent and productive nature in the form of industrial reconstruction and development.

The progress of relief and rehabilitation leading toward reconstruction is as variable as the many countries which have suffered from the terrific destruction of World War II. Some of the liberated countries have made tremendous strides toward the revival of a normal economy. These countries were fortunate in that they possessed more money in terms of foreign exchange or possessed raw materials or other products which could be quickly converted to foreign exchange.

With the inception of UNRRA, several of the liberated countries expressed the desire to handle their own emergency relief and rehabilitation problems. Five of the liberated countries of northwest Europe preferred not to accept any material aid from UNRRA. Although their balances of foreign exchange were by no means adequate to procure all of the commodities essential to the revival of a normal economy and at the same time adequately provide the basic items of relief, it was sufficient—they reasoned—to handle

the most essential jobs first and at the same time slowly but surely rehabilitate the industries. One of the principal factors leading to this decision, however, was the spirit of national pride which is common to all of the countries of the world. The less fortunate countries of the war-torn areas were just as proud and just as anxious to handle their own problems of emergency relief as the five countries of northwest Europe, but they did not possess the means to accomplish this tremendous task. It was to these countries, therefore, that UNRRA offered its material aid. At the beginning it was unanimously agreed that UNRRA's aid to the devastated countries would be of an emergency nature; it was UNRRA's task to procure and ship the civilian supplies required to maintain a minimum economy in those countries and to assist them in developing fair and adequate distribution systems. It was never contemplated that UNRRA's activities would be carried on into the period of economic reconstruction.

UNRRA's task in each of the countries was tremendously aided by the relief activities carried on by the Allied military forces during the war. The United States, the United Kingdom, and Canada began delivering civilian supplies almost simultaneously with the first landing in North Africa. From that time on with each new invasion the Allied military forces carried as a component part of their operations the supplies essential to sustain civilian life and to prevent the spread of disease and unrest. By the end of the war, the United States, the United Kingdom, and Canada had delivered over 13 million tons of civilian supplies to the liberated countries.

UNRRA has also accomplished a tremendous job in a most creditable fashion. That Administration has delivered a total of over 13 million tons of supplies and will deliver another 6 to 8 million tons before the program has been completed—21 or 22 million tons of supplies. That is equal to over 2,000 full cargoes. This accomplishment not only prevented mass starvation in the war-torn areas, but it also proved the practical worth of international cooperation.

The size of this job is without comparison with anything ever before attempted in the field of organized relief. The emphasis, however, must now be shifted from direct relief to helping each

country to help itself. Most of the countries receiving aid through UNRRA have progressed to the point where industrial reconstruction and development is the primary problem and relief operations can be taken over by the governments. Few countries will require continued outside aid. The problems of these countries are not ones which can be solved through international emergency relief. They require a more direct and fundamental rebuilding of each country's national economy.

It is not expected that the activities of UNRRA will be terminated abruptly according to the calendar. Most of the available 3½ billion dollars will have been spent by the end of this year, but the supplies may not all be shipped before well into 1947.

Most of the countries are anxious to procure and direct the handling of their own relief supplies. They have been materially aided in starting their own internal relief activities by operations of UNRRA. Each of the countries which have been receiving aid from UNRRA has built up revolving funds from the sale of UNRRA supplies. With these funds they have been carrying on direct indigent relief programs. The experience gained will help these countries take over the direct relief job on their own. In this task and in the field of social welfare work the voluntary agencies of this and other countries will no doubt continue their fine work.

At the recent meeting of the UNRRA Council in Geneva, Switzerland, a resolution was passed instructing the Director General to present the problem of actual financial needs of the various countries to the next session of the United Nations. That resolution recommended that the United Nations immediately appoint a competent group of financial experts to analyze the financial position of each of the governments formerly receiving aid through UNRRA. If that group finds that some of these countries cannot possibly take over the emergency relief job without outside financial aid, further consideration should be given to their problem by the member nations who are in a position to help. The governments requiring direct financial aid will, no doubt, present their problems directly to the countries from whom they wish to secure supplies.

In the meantime, this Government is doing everything within its power to foster and establish international trade practices which will bring about the most beneficial expansion of world trade and a better balancing of foreign-exchange positions. It is for this reason that it is lending full support to the early establishment of an International Trade Organization of the United Nations, whose purpose will be to bring about multilateral trade arrangements and help to do away with the innumerable trade barriers which develop from the restrictions imposed by bilateral trade agreements.

These long-range problems cannot be overlooked for a moment, but they are so complex that immediate solution is impossible. Among these are such problems as whether China and India, with their combined populations of 890 million, straining at the limits of food resources, must al-

ways live perilously close to the borderline of famine, or whether new and greater sources of supply can be developed; the problem of rehabilitation of the soil in far-flung areas of Europe and Asia; that of rehabilitation and even improvement in machinery, labor techniques, and the general agricultural economy. In the latter category we must consider not only further utilization of unproductive areas in this country but also the continued improvement in production techniques and in soil conservation and restoration. In the past century the world's population has grown from 1 billion to over 2 billion—within another hundred years it may well be 4 billion—and remember that there are only 4 billion acres of arable land in the world. These problems and their complexities will be an ever-continuing challenge to the rate of human progress and advancement.

### UNRRA PROGRAM OF SHIPMENTS THROUGH DECEMBER 31, 1946

(Thousand tons)

	Food	Clothing, textiles & footwear <sup>1</sup>	Medical and sanitation	Agricultural rehabilitation	Industrial rehabilitation <sup>2</sup>	Unclassified <sup>3</sup>	Total
Greece . . . . .	1, 306	27	9	287	693	727	3, 049
Yugoslavia . . . . .	1, 084	73	20	161	695	352	2, 385
Albania . . . . .	67	3	2	17	42	25	156
Poland . . . . .	806	80	27	386	493	-----	1, 792
Czechoslovakia . . . . .	608	40	24	267	404	-----	1, 343
Italy . . . . .	1, 844	105	14	410	7, 238	-----	9, 611
Austria . . . . .	365	4	1	164	47	177	758
Byelorussia . . . . .	72	6	1	44	22	-----	145
Ukraine . . . . .	209	19	2	41	112	-----	383
China <sup>4</sup> . . . . .	1, 094	155	37	558	907	-----	2, 751
Other Programs . . . . .	57	90	5	6	4	34	196
<b>Total</b> . . . . .	<b>7, 512</b>	<b>602</b>	<b>142</b>	<b>2, 341</b>	<b>10, 657</b>	<b>1, 315</b>	<b>22, 569</b>

<sup>1</sup> Includes textile raw materials.

<sup>2</sup> Includes coal and all raw materials except textile raw materials.

<sup>3</sup> Military shipments and items awaiting specification.

<sup>4</sup> Through 31 March 1947.

Source: *Economic Recovery in the Countries Assisted by UNRRA*. Report presented by the Director General of UNRRA to the Secretary-General of the United Nations.

**Report on The Third Session of Economic and Social Council**

**LETTER OF TRANSMITTAL FROM U. S. REPRESENTATIVE  
TO THE SECRETARY OF STATE**

*November 7, 1946.*

SIR:

On July 15, 1946, I transmitted to you a Report on the first two sessions of the Economic and Social Council.<sup>1</sup> The Report on the Third Session which is transmitted herewith completes the record of the first year's work, which has been compressed into nine months because of the two meetings of the General Assembly in January and in October of this first year.

In this period, the Economic and Social Council has completed the major organizational aspects of its work, and has made a good start on the substantive tasks for which it was established. It is natural that this transition to problems of substance should have given rise to a greater diversity of views among members of the Council than attended the purely procedural and constitutional tasks of the earlier sessions. What I find most impressive, however, is not these differences, but the common desire evident in all members to make the Council an effective instrument for achieving real and tangible results for the benefit of the peoples of all countries. The Council has been feeling its way into an extraordinarily complex and extensive field of human activity. I believe

that a review of the first year of the Council indicates that it has built solidly and already has a very substantial measure of accomplishment to its credit.

The Economic and Social Council has devoted more time to the question of refugees and displaced persons than to any other subject. It has now completed the task given to it by the General Assembly and has presented to that body detailed recommendations for an International Refugee Organization, as well as recommendations for the finances of the Organization and recommendations for interim arrangements before the Organization comes into full operation.

It has asked the General Assembly to create an International Children's Emergency Fund for the benefit of children and adolescents of all countries which were the victims of aggression. It has initiated action looking to the continuation of certain of the welfare activities of UNRRA after that organization ceases to exist.

Another problem of immediate urgency is the reconstruction of devastated countries. The Council has laid the groundwork for the consideration of this subject by the General Assembly and for further work by the Council itself. In recognition of the importance of inland transport to

<sup>1</sup> Department of State publication 2600.

the restoration of the European economy the Council has recommended a conference of all interested states on questions of freedom of traffic on the Danube.

Under the auspices of the Council, an International Health Conference was held which completed the Constitution of the World Health Organization. Provision has been made for the transfer to this Organization of the functions and activities of the League of Nations in this field and for the integration into the new Organization of other international health bodies, particularly the *Office International d'Hygiène Publique*.

The Preparatory Committee for an International Conference on Trade and Employment, established at the First Session of the Council, has now begun its work in London.

The suggestion of the President of the United States that the Council convene, in 1947, a Scientific Conference on Resource Conservation and Utilization was received after the Third Session had started. A number of Delegations were unable to obtain instructions in time to take positions on the subject at this Session. Accordingly the item will be discussed at the next session. In the meantime, the Secretary General is to consult with Members of the United Nations and the various bodies concerned. The results of these consultations should facilitate the Council's consideration of this subject at the Fourth Session.

In addition, the Third Session of the Council completed a number of residual organizational matters. It established a Fiscal Commission and a Population Commission and elected the members of all of the Commissions. It took further steps to provide the machinery for carrying out its task of coordinating the activities of specialized agencies. It concluded an Agreement with the International Civil Aviation Organization to bring that Organization into relationship with the United Nations as contemplated by the Charter. The Council has transmitted this Agreement, together with those previously negotiated with the International Labour Organization, the Food and Agriculture Organization, and the United Nations Educational, Scientific, and Cultural Organization to the General Assembly for final approval. The Council also completed the arrangements for

enabling non-governmental organizations to consult with the Council.

All of these items are fully covered in the attached report and I shall not, therefore, discuss them at length here.

The deliberations of the Economic and Social Council have reflected not only the natural difficulties of reconciling different opinions and different approaches to common problems, but also have to some extent reflected differences which are being even more vigorously expressed in other bodies and meetings. The substantial list of accomplishments enumerated above is in itself evidence that these difficulties have not proved insuperable in the Economic and Social Council. The growing pains of this body are becoming less as its members become more accustomed to working with each other and as they come to understand each other better.

The United States is entitled to feel a particular satisfaction in this beginning. The proposal for an Economic and Social Council, which had no counterpart in the League of Nations, was contained in the papers submitted by this Government to the Dumbarton Oaks Conference. A substantial part of the work of the Council up to now has resulted from initiative taken by the United States Delegation; this has been particularly important during the period in which the Secretariat was being recruited and organized.

I must take this opportunity to record again my appreciation of the able and effective teamwork of the United States Delegation at this past Session. More members than ever before were drawn into active participation in the various committees and the meetings of the Council itself. This fact and the arrangements which have been made for continuing liaison between the Department of State and the other departments and agencies of the Government will, I feel certain, prove most effective in promoting consistency throughout all our economic and social policies and in broadening and strengthening the contribution which the United States can and is expected to make to the work of the Council.

Sincerely yours,

JOHN G. WINANT

## Meeting of the General Assembly

### U.S. POSITION ON REGULATION AND REDUCTION OF ARMAMENTS

*By the Senior Representative of U. S. Delegation*<sup>1</sup>

At the outset of what I have to say to the General Assembly I must refer briefly to the address made yesterday by the Representative of the Union of Soviet Socialist Republics.

Mr. Molotov's speech indicated distrust and misunderstanding of the motives of the United States and of other members of the United Nations. I do not believe that recriminations among nations allied in war and in peace promote that unity which Mr. Molotov so rightly points out is essential to the success of the United Nations.

In war we gave to our Allies all the help and cooperation a great nation could. In peace the "United States will support the United Nations with all the resources we possess."

Our motives in war and peace we leave to the judgment of history. We fought for *freedom* side by side without recrimination. Can't we fight for *peace* side by side without recrimination? That closes the sad chapter so far as we are concerned.

I shall not participate in any exchange of recriminations.

We welcome the confidence expressed by Mr. Molotov that unanimous agreement among all the nations both large and small can be achieved on such vital matters as the control of atomic energy and on steps to lighten the burden of armaments and military expenditures which still rests so heavily upon the peoples of the world.

The United States urges disarmament.

The United States believes that Mr. Molotov's proposal should be placed on our agenda and fully considered and discussed.

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<sup>1</sup>Excerpts from an address delivered by the U.S. Delegate, Warren R. Austin, before the General Assembly of the United Nations at Lake Success, N.Y., on Oct. 30 and released to the press by the U.S. Delegation to the General Assembly on the same date.

The initiative of the Soviet Union in this matter is appropriate because of its mighty armies, just as the initiative of the United States was appropriate in proposing measures to prevent the manufacture and use of atomic weapons.

In November 1945 the United States took the initiative for outlawing the atomic bomb, in the conversations at Washington among President Truman, Prime Minister Attlee, and Prime Minister MacKenzie King. At Moscow in December 1945, the following month, conversations were held between Mr. Byrnes, Mr. Molotov, and Mr. Bevin on this subject. In this Assembly last January the resolution creating the Atomic Energy Commission and establishing its terms of reference was unanimously adopted. Since then in the Commission itself the distinguished United States Representative, Mr. Bernard M. Baruch, presented proposals expressing the policy of the President of the United States.

The United States goes further. As President Truman emphasized again last week, it attaches the greatest importance to reaching agreements that will remove the deadly fear of other weapons of mass destruction in accordance with the same resolution passed by this Assembly.

So far as Mr. Molotov's resolution concerns the regulation and reduction of other armaments, the whole world knows where the United States stands and has always stood. For 20 years before the war and in the 15 months since the fighting stopped, the United States has consistently been in the forefront of those striving to reduce the burden of armaments upon the peoples of the world. Since the end of the war in Europe and the Pacific the United States has progressively and rapidly reduced its military establishment.

After the last war we made the mistake of disarming unilaterally. We shall not repeat that mistake.

The United States is prepared to cooperate fully

with all other members of the United Nations in disarmament. It advocates effective safeguards by way of inspection and other means to protect complying states against the hazards of violation and evasion.

We cannot reduce armaments merely by talking about the "regulation of armament and possible disarmament", or the "heavy economic burden caused by excessive expenditures for armaments". We cannot achieve it without positive acts which will establish the "peaceful post-war conditions" to which Mr. Molotov also referred.

Nor can a system for the regulation of armaments and possible disarmaments as contemplated in articles 11, 26, and 47 of the Charter be effectively planned except in relation to progress in the negotiation of the armed-forces agreements called for by article 43. At the beginning of April, four of the five members of the Military Staff Committee made specific proposals concerning the principles which should govern the negotiation of these agreements. In September the Soviet Union submitted for the first time a statement of its views on the problem.

I am happy to note that Mr. Molotov referred to the work of the Military Staff Committee. I hope it will now be possible for this Committee to make rapid progress. The conclusion of these agreements, providing the Security Council with

peace forces adequate to prevent acts of aggression, is essential to carrying out the objectives of Mr. Molotov's resolution for the reduction of armaments.

Mr. Molotov also referred to article 43 in connection with the Soviet proposal concerning the presence of armed forces of the United Nations on foreign territories. He said, "In this connection it is natural that the Security Council should know the actual situation, namely, where and what armed forces of the United Nations are situated at present outside the confines of their countries. . . . For its part the Soviet Union is prepared to submit this information to the Security Council."

The Government of the United States understands Mr. Molotov's statement to mean that the Soviet Union is fully prepared to report on its armed forces in ex-enemy states as well as in other foreign territories. Therefore, the United States urges prompt fulfilment of this policy. The United States has nothing to hide with regard to our armed forces at home or abroad. The United States will promptly fulfil that policy. In no case are the United States forces in friendly countries except with the consent of those countries.

It is our opinion that the proposed inquiry should include all mobilized armed forces, whether at home or abroad.

## U. S. Position on International Refugee Organization

### STATEMENT BY REPRESENTATIVE OF THE U.S. DELEGATION TO THE UNITED NATIONS<sup>1</sup>

To begin with, Mr. Chairman, I should like to state very briefly the position of the United States on this International Refugee Organization, which will care for and help to rehabilitate nearly a million people from Europe and the Far East. As long as they are refugees and displaced persons they constitute a threat to peace and good relations among governments.

The maintenance in camps of these persons leads to deterioration among them as human beings and is an economic waste for all the nations of the world. We, in the United States, feel this most

keenly, since from practically all the countries where they come from we have received citizens who have built up our nation. Therefore, the United States supports the principles of the General Assembly resolution of February 12, 1946 namely:

(a) The problem is international in character.

<sup>1</sup> Made by the U.S. representative, Mrs. Eleanor Roosevelt, before Committee 3 of the General Assembly at Lake Success on Nov. 8 and released to the press by the U.S. Delegation to the United Nations on the same date.

(b) There shall be no compulsory repatriation.

(c) Action taken by IRO must not interfere with existing international arrangements for apprehension of war criminals, Quislings, and traitors. This is being done by military occupation forces and is not the responsibility of this new organization.

As a consequence we support the draft constitution of the IRO which reflects the foregoing principles.

The United States has supported the principles advocated by my colleague from the U. S. S. R. which is proved by the numbers of people that have been repatriated from the United States zone. However, it would be foreign to our conception of democracy to force repatriation on any human being. Three and one-half million persons have been repatriated from the United States zone, but our people will always believe in the right of asylum and complete freedom of choice.

The Pilgrims, the Huguenots, and the Germans of 1848 came to us in search of political and religious freedom and a wider economic opportunity. They built the United States.

These people now in displaced-persons camps are kin to those early settlers of ours, and many of them might have relatives in the United States.

My Government urges the participation in the IRO as members by all peace-loving nations. There is no question but that this participation will entail financial sacrifices by all participating governments. For a time it will be a heavy burden, but in the long run it will be an economy and well worth the cost.

The finances of our organization will be considered in committee 5, where the financial burden will be allotted to the participating governments, so that the cost will be equitably shared by all, and each government will pay according to the standards laid down by committee 5.

In the interest of brevity I shall comment at this time only on some of the essential points in Mr. Vyshinsky's speech of Wednesday, leaving other points for comment when we discuss the draft constitution article by article.

First of all I should like to say that Mr. Vyshinsky's view that no assistance should be given to those who for valid reasons decide not to return

to their countries of origin is inconsistent with the unanimous decision of the General Assembly in the resolution on displaced persons of February 12, 1946. That clearly provides that these persons shall become the concern of the International Refugee Organization.

Mr. Vyshinsky says that this problem is very simple. It can be solved by repatriating all the displaced persons. In fact, those who do not wish to be repatriated must fall into this category. I think this point of view fails to take into consideration the facts of political change in countries of origin which have created fears in the minds of the million persons, who remain, of such a nature that they choose miserable life in camps in preference to the risks of repatriation.

Our colleague from Poland mentioned that since arrangements had been made to give people food allowances after their return home the numbers going home had increased. I think he is quite right that the fear of an economic situation has deterred a number of people from taking the risk of repatriation, but not all of them are actuated by consideration of the economic situation in their country of origin.

Seven million people have already been repatriated; repatriation is still proceeding. One thousand Poles are leaving the U.S. zones of Germany and Austria daily. The military administration which accomplished this result can hardly be held solely responsible for the failure of the last million to return.

It was a new point, I think, which Mr. Vyshinsky raised when he presented his position that those who do not choose to return to their countries of origin shall not be resettled, shall receive no aid towards settling somewhere else. This leaves them with the prospect of spending the rest of their lives in assembly centers as long as the IRO supports them or else of facing starvation. They obviously cannot be left in assembly centers to their own devices. They would continue as an irritant in good relations between friendly governments and contribute to delay in the restoration of peace and order which is the concern of all governments. There is no reason why they should become wanderers if instead they can be given an opportunity for resettlement in some country which has a future to offer them.

By another provision of the General Assembly resolution of February 1946, which, I think, Mr. Vyshinsky must have forgotten, no action taken shall be of such a character as to interfere in any way with the surrender and punishment of war criminals, Quislings, and traitors in conformity with international arrangements or agreements. These arrangements, however, are the responsibility of other government bodies, including the military authorities.

I can tell you very briefly how arrangements for the apprehension of Quislings works out under the U.S. occupational authorities. U.S. officials are continuously engaged in screening the refugee personnel to locate Quislings or those who for other reasons are not entitled to be given asylum. When special complaints are received from other governments they are made by the governments' liaison officers with the United States Forces, European Theater. USFET thereupon makes an investigation through Army channels. If the investigation appears to substantiate the complaint, the case goes before a board of officers, which makes the final determination. This method of procedure has in general been satisfactory; but it must be emphasized that this committee here is not, and should not, be the forum for debate as to its effectiveness. It is not our function here to discuss the adequacy of these arrangements or the performance under them. We are concerned with final decisions on the draft of the constitution of IRO. This draft clearly excludes from the benefits of the organization war criminals, Quislings, and traitors. We can hope that such persons will be entirely eliminated by the time the IRO begins to function.

Mr. Vyshinsky spoke of members of various military groups. The military character of different groups and their members, we think, has been greatly exaggerated. They are the concern of the military authorities, however, and will be handled by them. Those who fought with the Germans and collaborated with them are clearly excluded from assistance from the IRO in the constitution before us. I have asked that the U. S. military authorities supply me with a report on each of the incidents complained of by Mr. Vyshinsky where the U. S. is concerned, and I shall report these findings

in writing to the committee, if it so desires, as soon as they are available.

Now we come to the point which Mr. Vyshinsky made that all propaganda should be suppressed in the camps. He challenges us on the point that under the guise of freedom of expression propaganda hostile to the countries of origin is tolerated. On this point I am afraid we hold very different ideas. But this does not preclude cooperation between us. We, in the United States, tolerate opposition provided it does not extend to the point of advocacy of the overthrow of government by force. Unless the right of opposition is conceded, it seems to me that there is very little possibility that countries with differing conceptions of democracy can live together without friction in the same world. Much progress has been made to date in dealing with this problem of propaganda within the framework of these divergent views. With patience and understanding we can achieve still further progress in this direction.

Mr. Vyshinsky objects to the inclusion of certain categories of refugees and displaced persons.

One group consists of those who, as a result of events subsequent to the outbreak of the second World War, are unable or unwilling to avail themselves of the protection of the government of their countries of nationality or of former nationality.

This paragraph covers those who for political reasons, territorial changes, or changes of sovereignty are unable to return to their country. That paragraph is in annex 1, part 1, section A, paragraph 2. I regret that Mr. Vyshinsky cannot confirm the agreement reached at the last session of the Economic and Social Council on this point. We consider it essential that the paragraph be retained. But since he asked who these people are, I should like out of my own experience to mention a few. I visited two camps near Frankfurt, where the majority of people had come from Estonia, Latvia, and Lithuania. I have received innumerable petitions. My mail today carried three from people in different countries, who, because changes had come in the types of government in their countries, felt that they did not wish to return. That does not mean that they do not love their country; it simply means that they prefer the country as it was before they left it. That

country they feel no longer belongs to them. I gather that Mr. Vyshinsky felt that anyone who did not wish to return under the present form of government must of necessity be Fascist. I talked to a great many of these people who do not strike me as Fascist, and the assumption that people do not wish to return to the country of their origin because those countries are now under what is called a democratic form of government does not seem to allow for certain differences in the understanding of the word *democracy*. As Mr. Vyshinsky uses it, it would seem that democracy is synonymous with Soviet, or at least a fairly similar conception of political and economic questions. Under that formula I am very sure that he would accept some of the other nations in the world who consider themselves democracies and who are as willing to die for their beliefs as are the people of the Soviet Union.

Mr. Vyshinsky also objected to certain exceptions to the general rule that those who had voluntarily assisted the enemy are excluded from the concern of the IRO. The intent of the exemptions is to cover those who were forced to perform slave labor or who may have rendered humanitarian assistance, such as assistance to wounded civilians. Mr. Vyshinsky proposes to exclude all those who assisted in any manner. Under such language those merely present in any occupied area forced by necessity of survival to perform any form of work or service within the German economy would be considered to have assisted the enemy and would thus be excluded. This would result in cruel hardship on many. We can, however, discuss the point at greater length later.

I sincerely regret having to speak in opposition to some of Mr. Vyshinsky's views. But he will recall that in London there were some things which because of the fundamental beliefs I hold, I had to stand on. I felt strongly about them then and I still do. This does not mean that Mr. Vyshinsky cannot hold to his basic beliefs as well and still achieve with us a solution. This solution can be reached if we are both willing in these fields to try for a spirit of cooperation and a realistic approach to our problems. It is essential to the peace of the world that we wipe out some of

our resentments as well as our fears. I hope that as time goes on our two great nations may grow to understand each other and to accept our different viewpoints on certain questions.

## American Chemical Society's Gift to UNESCO

[Released to the press November 13]

The Department of State has been informed by the American Chemical Society that its board of directors has offered a contribution of \$25,000 to UNESCO (the United Nations Educational, Scientific and Cultural Organization), it was announced on November 13 by Assistant Secretary of State Benton.

The gift is offered for the payment of expenses in this country of foreign chemists and chemical engineers who wish to engage in advanced study and who could not make the trip without such aid. The persons to receive the grants are to be designated by UNESCO.

This is believed to be the first contribution offered to UNESCO by any non-governmental organization, according to Mr. Benton. Commenting on the gift, Mr. Benton pointed out that the Director General of UNESCO is authorized to receive "gifts, bequests and contributions directly from governments, public, private, institutions, associations, and private persons." Such contributions, he said, may well prove to be an important resource for UNESCO in carrying out its functions. Mr. Benton also said:

"In its long-range program, I hope that UNESCO will come to be regarded as an appropriate instrument for contributions from many organizations and individuals, all over the world, who wish to contribute to education for peace through understanding.

"The coming meeting of the General Conference of UNESCO, to open at Paris, November 19, will determine the main outlines of a program for UNESCO. The program there agreed upon will include many projects worthy of financial support over and above the regular annual contributions of the member governments."

(Continued on page 953)

# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## *Calendar of Meetings*<sup>1</sup>

<b>In Session as of November 17, 1946</b>		
Far Eastern Commission . . . . .	Washington . . . . .	February 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	March 25
Military Staff Committee . . . . .	Lake Success . . . . .	March 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
UNRRA - Inter-governmental Committee on Refugees (IGCR)	Washington . . . . .	July 25
Joint Planning Committee	Lake Success	
General Assembly . . . . .	Flushing Meadows . . . . .	October 23
Telecommunications Advisory Committee . . . . .	Lake Success . . . . .	November 10
German External Property Negotiations with Portugal (Safehaven) . . . . .	Lisbon . . . . .	September 3
PICAO:		
Interim Council . . . . .	Montreal . . . . .	September 4
Divisional		
Meteorological Division . . . . .	Montreal . . . . .	October 29
Special Radio Technical Division . . . . .	Montreal . . . . .	October 30-November 23
International Conference on Trade and Employment, First Meeting of the Preparatory Committee	London . . . . .	October 15-November 23
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	October 24
FAO: Preparatory Commission To Study World Food Board Proposals.	Washington . . . . .	October 23
World Health Organization (WHO): Interim Commission . . . . .	Geneva . . . . .	November 4-13
Council of Foreign Ministers . . . . .	New York . . . . .	November 4
IARA: Meetings on Conflicting Custodial Claims . . . . .	Brussels . . . . .	November 6
International Technical Committee of Aerial Legal Experts (CITEJA):		
Meetings of Four Commissions . . . . .	Cairo . . . . .	November 6-13
Fifteenth Plenary Session . . . . .	Cairo . . . . .	November 14-19
ILO: Industrial Committee on Textiles . . . . .	Brussels . . . . .	November 14-22
Second Inter-American Congress of Radiology . . . . .	Habana . . . . .	November 17-22
<b>Scheduled for November 1946-January 1947</b>		
UNESCO:		
General Conference . . . . .	Paris . . . . .	November 19
"Month" Exhibition . . . . .	Paris . . . . .	November-December
ILO: Industrial Committee on Building, Civil Engineering and Public Works.	Brussels . . . . .	November 25-December 3

<sup>1</sup> Calendar prepared in the Division of International Conferences, Department of State.

*Calendar of Meetings—Continued*

PICAO:		
Divisional		
Communications Division . . . . .	Montreal . . . . .	November 19
Search and Rescue Division . . . . .	Montreal . . . . .	November 26
Rules of the Air and Air Traffic Control Practices Division. . . . .	Montreal . . . . .	December 3
Personnel Licensing Division . . . . .	Montreal . . . . .	January 7
Aeronautical Maps and Charts Division . . . . .	Montreal . . . . .	January 14
International Whaling Conference . . . . .	Washington . . . . .	November 20
Rubber Study Group Meeting . . . . .	The Hague. . . . .	November 25-30
United Nations:		
Economic and Social Council		
Commission on Narcotic Drugs. . . . .	Lake Success. . . . .	November 27
Statistical Commission. . . . .	Lake Success. . . . .	January 27 (tentative)
Postal Experts Meeting . . . . .	Lake Success. . . . .	December 10 (tentative)
Inter-American Commission of Women: Fifth Annual Assembly . . . . .	Washington . . . . .	December 2-12
Intergovernmental Committee on Refugees (IGCR): Sixth Plenary Session	London . . . . .	December 16
Meeting of Medical and Statistical Commissions of Inter-American Committee on Social Security	Washington. . . . .	January 6-11
Twelfth Pan American Sanitary Conference . . . . .	Caracas . . . . .	January 12-24
Second Pan American Conference on Sanitary Education . . . . .	Caracas . . . . .	January 12-24

*Activities and Developments* >>

**U. S.-U. K. MEETINGS ON BIZONAL ARRANGEMENTS FOR GERMANY**

**Statement by Acting Secretary Acheson<sup>1</sup>**

The present meeting is an outgrowth of a conversation of Mr. Bevin with Secretary Byrnes during the recent conferences in Paris, concerning plans for the economic and financial union of the British and American zones of occupation in Germany.<sup>2</sup>

The resulting conferences in Washington, of which this is the first meeting, are, so far as the United States representation is concerned, under the joint auspices of the Departments of State and War. Gen. John H. Hilldring, Assistant Secretary of State for Occupied Areas, will preside at the forthcoming discussions on matters of bizonal interest. Mr. Howard C. Petersen, the Assistant

<sup>1</sup> Made at the opening session at 2:30 p.m. on Nov. 13, 1946, and released to the press on the same date.

<sup>2</sup> BULLETIN of Aug. 11, 1946, p. 266.

Secretary of War, and General Clay, Deputy Military Governor (U.S.), Germany, will head the representatives of the War Department and the Military Government (U.S.), Germany, during the meetings with the members of the British Embassy and of the British Delegation, who have just arrived in Washington to assist the Embassy in these discussions relating to the establishment of bizonal union. I extend a cordial welcome to our British friends with whom we are happy to have an opportunity of discussing important matters of mutual interest.

It is envisaged that the discussions of the present conferences will be limited to those bizonal arrangements which need be settled only at governmental level.

These meetings are a definite step forward in line with policy relative to Germany, as expressed by Secretary of State Byrnes, in conformity with the Potsdam Agreement, in his discussions with the Foreign Ministers of the other occupying powers. British agreement with the position taken resulted. Subsequently, Secretary Byrnes, in his Stuttgart address, said, in part, the United States—

“ . . . has formally announced that it is its intention to unify the economy of its own zone with any or all of the other zones willing to participate in the unification.

“So far only the British Government has agreed to let its zone participate. We deeply appreciate their cooperation. Of course, this policy of unification is not intended to exclude the governments not now willing to join. The unification will be open to them at any time they wish to join.

“We favor the economic unification of Germany. If complete unification cannot be secured, we shall do everything in our power to secure the maximum possible unification.”

#### U. S. Representatives

[Released to the press November 12]

Following is a list of United States representatives and advisers to the joint United States-United Kingdom meetings on bizonal arrangements for Germany:

##### *Department of State*

Under Secretary of State Dean Acheson (Opening Meeting)

Assistant Secretary for Occupied Areas, John H. Hilldring

Ambassador Robert D. Murphy

H. J. Heneman, Office of Assistant Secretary Hilldring

C. C. Hilliard, Office of Assistant Secretary Hilldring

Phillip P. Claxton, Office of Assistant Secretary Hilldring

C. P. Kindleberger, Division of German and Austrian Economic Affairs

J. C. deWilde, Division of German and Austrian Economic Affairs

W. A. Salant, Division of German and Austrian Economic Affairs (alternate for Mr. deWilde)

J. W. Riddleberger, Division of Central European Affairs

##### *War Department*

Assistant Secretary of War Howard C. Petersen

Col. J. R. Gilchrist, Civil Affairs Division

Col. R. M. Cheseldine, Civil Affairs Division

E. A. Hough, Civil Affairs Division

O. J. Baldwin, Civil Affairs Division

Tracy Vorhees, Office of the Secretary of War

Gen. George J. Richards, Budget Office of War Department

Gen. Vernon Evans, Budget Office of War Department (alternate for General Richards)

Lt. Col. P. A. Feyerreisen, Budget Office of War Department (alternate for General Richards)

##### *Office of Military Government, U. S.*

Gen. Lucius D. Clay

Col. Hugh Barker Hester

Col. Lawrence Wilkinson

Don D. Humphrey

Theodore H. Ball

Roy J. Bullock

Edward A. Tenenbaum

##### *Reconstruction Finance Corporation, U. S. Commercial Company*

George Allen

John Goodloe

DeWitt Schieck

##### *Treasury Department*

Andrew Overby, adviser

##### *Department of Commerce*

Arthur Paul, adviser

Murray Marker, (alternate)

##### *Department of Agriculture*

Francis A. Flood, adviser

##### *Department of Labor*

Assistant Secretary D. A. Morse, adviser

##### *Bureau of the Budget*

E. R. Baker, observer

**STATEMENT BY HEADS OF DELEGATIONS TO INTERNATIONAL WOOL TALKS**

[Released to the press November 15]

1. During the past week delegations representing Argentina, Australia, Belgium, Canada, China, France, India, Italy, New Zealand, South Africa, United Kingdom, United States, and Uruguay have been engaged in an examination of present and prospective world apparel wool situation.

2. There has been a full and frank exchange of views. Producing and consuming countries were in full agreement about desirability of avoiding as far as possible excessive price fluctuations and of securing expansion of world consumption of wool.

3. Representatives of UK/Dominion Wool Disposal, Ltd. (this is organization established by UK, Australia, New Zealand, and South African Governments to dispose of large wartime surplus of wool) were present at invitation of conference, and chairman made a statement about its organization and aims. He reaffirmed intention to contribute to stability in international trade in wool by means of orderly marketing of surpluses together with current clips at prices reasonable to grower and at a level to encourage consumption. He emphasized also desirability of extending range of types of wool used. Use of a narrow range of types led to scarcity and high prices of those types. Organization was prepared to supplement offerings to meet demand so far as shortages of certain particular types and difficulties of handling and transport allowed. This conference has provided an opportunity for the various countries to study operation of this wool-disposal organization.

4. Conference has considered also present statistical position as regards world stocks production and consumption and has reviewed prospects for 1946-47. It is apparent that there has been a heavy transfer of stocks from government to private hands since end of hostilities, and there has also been an encouragingly rapid recovery of consumption in many countries. Nevertheless total world stocks of apparel wool at 30 June 1946 are estimated at some 5,000 million pounds of which over half is still in hands of governmental organi-

zations. Stocks in government hands alone amounted approximately to one year's production, and it is clear that absorption of this quantity into final consumption alongside new clips of 1946-47, and later seasons must still present a formidable problem.

5. Conference has also reviewed possibilities for continuing intergovernmental consideration of wool matters.

Text of conference resolution follows:

(a) Having made a survey of prospective world position of wool conference is agreed on desirability in interests of producers and consumers of situation being kept under intergovernmental review.

(b) Representatives of all governments participating in this conference accordingly agree to recommend to their governments that an international wool study group should be established.

(c) Conference agrees that UK Government should be invited to obtain by February 1, 1947 from governments which received invitations to conference their decisions regarding establishment of a wool study group and to arrange for a first meeting of study group.

6. Conference was agreed that it would be important that proposed study group should maintain close liaison with existing organizations in wool field with a view to taking full advantage of information collected by these organizations.

**U.S. DELEGATION TO ILO TEXTILES INDUSTRIAL COMMITTEE**

The Secretary of State announced on November 13 that the President has approved the composition of the United States Delegation to attend the meeting of the Textiles Industrial Committee of the International Labor Organization. These nominations were submitted by the Secretary of State upon the recommendation of the Secretary of Labor, Lewis B. Schwellenbach. This meeting was held in Brussels, Belgium, November 14-22, 1946.

The composition of the United States Delegation is as follows:

## GOVERNMENT REPRESENTATIVES

*Members*

Robert J. Myers, Manpower Division, Office of Military Government for Germany (U.S.); assistant commissioner designate, Bureau of Labor Statistics, U.S. Department of Labor, Washington, D.C.

Rene Lutz, economic analyst, Leather and Textile Division, U.S. Department of Commerce, Washington, D.C.

*Advisers*

Verl E. Roberts, chief of the Minimum Wage Determination Section of the Economics Branch, Wage and Hour and Public Contracts Division, U.S. Department of Labor, New York, N.Y.

Murray Ross, assistant chief, International Labor Organizations Branch, Division of International

Labor, Social and Health Affairs, U.S. Department of State, Washington, D.C.

## EMPLOYERS' REPRESENTATIVES

*Members*

Edwin Wilkinson, assistant to the president, National Association of Wool Manufacturers, New York, N. Y.

Herbert H. Schell, president, Sidney Blumenthal and Company, Inc., New York, N.Y.

## WORKERS' REPRESENTATIVES

*Members*

Lloyd Klenert, secretary-treasurer, United Textile Workers of America, Washington, D.C.

John Vertente, Jr., executive council member, United Textile Workers of America, New Bedford, Mass.

**Moscow Telecommunications Conference**BY FRANCIS COLT DE WOLF<sup>1</sup>

This is a report of a successful mission to Moscow—a telecommunications mission. First of all it might be well to try to clarify in our minds just what we mean by *telecommunications*. It was as recently as 1932, at the Madrid International Radio Conference, that the term *telecommunication* was first officially adopted. It is defined as follows in the International Radio Regulations:

*Telecommunication:* Any telegraph or telephone communication of signs, signals, writings, images, and sounds of any nature, by wire, radio, or other systems or processes of electric or visual (semaphore) signaling.

Or, to put it in another way, your telephone, your radio receiver on which you are now hearing me, your telegraph, your submarine cable, your television set, your walkie-talkie, your radiotelegraph between New York and London or between an airport and a plane circling above it—all are included in the term *telecommunications*. And now to come back to our Moscow conference; it all began this way.

In 1944, in Chicago, there was held a world aviation conference at which most of the countries of the world were present, with the important ex-

ception of the Union of Soviet Socialist Republics. This conference set up a Provisional International Civil Aviation Organization which has come to be known as PICAO and which, ever since its creation, has been most active in the promotion of international civil aviation interests. It is now a going concern, with its seat at Montreal, and has a Council and an Assembly somewhat modeled on the organization of the United Nations. The U.S.S.R. is as yet not a member of PICAO.

In the same year of 1944 there was held in Washington a meeting known as the Dumbarton Oaks conference, of five powers—the U.S.A., the U.S.S.R., the U.K., France, and China. Its purpose was to prepare an outline for a new world organization. At San Francisco, in 1945, a conference of all the United Nations took place, which perfected the plans for the Charter of a United Nations organization, which as you all know is now a going concern. The U.S.S.R. participated both in the Dumbarton Oaks conference

<sup>1</sup>Address delivered over the Columbia Broadcasting System from Washington, D. C., on Nov. 9, 1946 and released to the press on the same date. Mr. de Wolf is Chief of the Telecommunications Division, Office of Transport and Communications, Department of State.

and in the San Francisco conference and is now one of the leading members of the United Nations organization.

At a Telecommunications Conference held in Bermuda in the fall of 1945 to settle certain outstanding questions between the United States and the British Commonwealth of Nations, it was informally agreed that it would be helpful to hold a Preliminary Five-Power Telecommunications Conference, somewhat modeled on the Dumbarton Oaks conference, to consider a basic reorganization of the existing International Telecommunications Union. I should explain that the International Telecommunications Union, which was first established at Paris in 1865 under the name of the International Telegraph Union, unlike the new Provisional International Civil Aviation Organization (PICAO) and the United Nations, has no permanent bodies which, in the interval between international telecommunications conferences, can effectively dispose of international telecommunications problems that may arise during such periods. Both the American and British Delegations at Bermuda felt the imperative need of creating a new Telecommunications Union which would be responsive to the ever-increasing problems in the field of telecommunications; and it was further felt that the success of a union required the active participation of the U.S.S.R., it being realized that, while such participation in the aviation field was useful, it was absolutely essential in the field of telecommunications. I might explain here that one of the most important functions of the Union is to provide mechanisms whereby interference between radio stations is eliminated or at least greatly minimized. While such elimination obviously is essential to your enjoyment of radio programs, it is a matter of life and death when it comes to the question of communications with ships at sea and even more so with planes in the air.

At the Bermuda telecommunications conference it was consequently informally agreed that either the preparatory or the main world conference should take place in Moscow and the other in the United States. The Soviet Government was then approached and indicated a willingness to follow such a program, expressing a preference for the

holding in Moscow of the preliminary conference and the convening in the United States of a world conference.

On September 24 of this year an American Delegation, composed of 26 representatives of Government agencies and of private American companies and organizations, left Washington by plane and flew to Berlin, where a Soviet plane transported it directly to Moscow. At the Moscow airport the Delegation was met by the Soviet Deputy Minister of Communications, Mr. Fortushenko. The latter proved himself to be an able and forceful representative of his country and one who on practically all issues was willing to meet the other delegations half way. He had the great advantage of being able to speak and understand the English language. In ten minutes' talk at the airport we agreed on the general conduct of the conference. The next day, September 28, the conference formally opened and continued for the following three weeks.

In his instruction to the chairman of the Delegation the Secretary of State had said, among other things, "The purpose of the meeting at Moscow is to hold informal preliminary discussions prior to the proposed World Telecommunications Conference." The Secretary of State further instructed the Delegation at no time to give the appearance of becoming a party to a five-nation bloc. Before outlining briefly the results of the Moscow telecommunications conference, I think it worthwhile to stress that one of the outstanding facts of the conference was the harmonious relations existing between the five delegations and the friendly spirit in which all matters were debated. Another interesting factor was the willingness of the Soviet Delegation to work in close cooperation with the American Delegation and to make reasonable accommodations in its position. It was evident that the Soviet Delegation had devoted considerable time and effort in preparing its proposals for consideration at the Moscow conference and that the Soviet Government desired to participate fully and actively in future international telecommunications arrangements. I might point out, in this connection, that at telecommunications conferences a large number of the delegates are known to each other since they have participated

in previous conferences. As a matter of fact, at these conferences national lines are often forgotten since it is not unusual to see broadcasting interests of various countries align themselves together to present a common front to, let us say, aeronautical radio interests. Radio waves have a way of ignoring man-made boundaries and of being very indifferent to political ideologies. And now as to what was accomplished at Moscow.

The conference decided that the next world telecommunications meeting should take place beginning July 1, 1947, at which time the telecommunications convention of Madrid would be revised to provide for an entirely new structure of the International Telecommunications Union. At the present time the Union consists merely of meetings taking place every five years and of a permanent bureau set up in Bern under the general administration of the Swiss Government. This bureau, however, has no powers whatever and for all intents and purposes is merely a registry office of radio frequencies and a publisher of service documents. All delegations present at the Moscow conference agreed that the new Union should have an administrative council, composed of 15 persons, a permanent secretariat, and a central frequency registration board. It was also agreed that the ITU should be affiliated with the United Nations organization and should become what is known in the Charter of the United Nations as a "specialized agency". The International Telecommunications Union, however, would retain its autonomous character and would be administered by its own council. The Central Frequency Registration Board (CFRB) is an American invention. As far as that goes, most of the other suggestions adopted by the Moscow conference were based on American proposals. For the last three years preparatory committees in Washington have been working on proposals for the complete reorganization of the international telecommunications administrative structure. The American proposal for the creation of a central frequency registration board, which was adopted unanimously by the Moscow conference, may be described briefly as follows. In the past, when a country wished to use a frequency for a particular radio station, it merely notified the Bern bureau

of the fact and the latter then published the information in what is known as a frequency list. It made no difference whether the proposed frequency would interfere with other radio stations in the rest of the world. Under the proposed set-up, a new procedure would be followed. Let us assume, for instance, that the United States wished to build a short-wave radio station in Washington, with a power of 50 kilowatts and a frequency of 15,000 kilocycles. This information would be forwarded to the central frequency board, on which would sit five impartial and competent radio technicians. They would examine the application of the United States to determine whether the proposed station would cause any interference to existing stations. If it did not, the frequency would be registered and would thereafter be protected from interference from any other stations in any other countries. If, on the other hand, the board was of the opinion that the new station with its proposed frequency would cause serious interference to one or more other stations situated in other countries, it would so inform the Government of the United States and suggest that the latter select some other frequencies. However, if the United States should insist on using the frequency in question, it would so inform the board. The latter would take note of this fact and publish the information given by the American Government in a column entitled "Notification". In these circumstances, however, no protection whatever would be given to the station by other countries and if the new station suffered interference it could not seek any remedy from any of the other members of the Telecommunications Union. This is obviously a step in the right direction, although it should be obvious that it still leaves quite a lot of latitude to the various governments since the board does not have the power to forbid the use of a frequency which it considers would cause interference to other stations in other countries.

The Moscow conference also agreed that there should be called in the fall of 1947 a world high-frequency broadcasting conference whose purpose would be, in the first place, to assign frequencies to short-wave stations all over the world and, in the second place, to establish a new world high-frequency broadcasting organization whose purpose

would be to facilitate in every way the interchange of short-wave broadcast programs between countries and eliminate causes of interference and in other ways improve the existing working of this important phase of telecommunications.

Finally, a personal word. During its whole stay in Moscow, the American Delegation was treated with the utmost courtesy and hospitality by the Soviet communication officials. It was given an opportunity to visit the Kremlin—a favor rarely bestowed, even on high foreign diplomatic officials in Moscow. It was invited frequently to the Moscow Opera, whose performances were magnificent. Technicians on the Delegation were afforded an opportunity to visit the telephone, telegraph, television, and broadcasting facilities of the Soviet Government in Moscow. A car was placed at the disposition of the members of the Delegation, who thus had an opportunity to visit the countryside around Moscow as well as the city itself. Every effort was made to make the stay of the American Delegation, and of the other delegations in Moscow, comfortable and pleasant.

And so, both from the professional and personal point of view, we all came back from the Soviet Union with a feeling that the Moscow conference had been a success and had accomplished the task with which it had been entrusted.

**FIFTH ASSEMBLY OF THE INTER-AMERICAN COMMISSION OF WOMEN<sup>1</sup>**

The Fifth Assembly of the Inter-American Commission of Women will be held at the Pan American Union, Washington, D.C., December 2-12, 1946. The Fourth Assembly was held in Washington in April 1944.<sup>2</sup> Sessions of the Assembly will be restricted to members; however, on Friday, December 13, the Inter-American Commission of Women has invited women's organizations of the United States and of the other American republics

Among the important items on the agenda of

<sup>1</sup> Prepared by the Division of International Conferences of the Department of State in collaboration with the Department of Labor.

<sup>2</sup> BULLETIN of Apr. 8, 1944, p. 325.

<sup>3</sup> Prepared by the Division of International Conferences in collaboration with the Civil Aeronautics Administration.

to participate in a forum on "The Role of Women in the World Today".

the Assembly are: (1) the report on the position of women in the American republics which the Inter-American Commission of Women will present to the forthcoming Ninth International Conference of American States scheduled to be held in 1947; (2) the recommendations of the Commission to the conference for the women of the Americas; and (3) the statute and bylaws which will give the Commission its permanent status.

The Inter-American Commission of Women is an official organization which was created by the Sixth International Conference of American States held at Habana in 1928, continued at the Seventh Conference at Montevideo in 1933, and established on a permanent basis by the Eighth Conference which took place at Lima in 1938. There are twenty-one members, with one official delegate appointed by each of the American republics. The United States Delegate to the Inter-American Commission of Women is Miss Mary M. Cannon, who was appointed by President Roosevelt in April 1944. Miss Cannon is chief of the International Division of the Women's Bureau, United States Department of Labor.

From its beginning, the Commission has worked to secure civil and political rights for women. Its duties were enlarged by the Lima conference, when it was charged with the permanent study of all the problems concerning American women and asked to report to the Governing Body of the Pan American Union before each International Conference of American States, on problems concerning women which in its judgment should be considered.

**TWENTY-NINTH SESSION OF THE INTERNATIONAL COMMISSION FOR AIR NAVIGATION<sup>3</sup>**

The Twenty-ninth Session of the International Commission for Air Navigation (ICAN or CINA) was held at Dublin, Ireland, from October 28 to October 30, 1946. Twenty-one of the thirty-three member states participated.

Glen A. Gilbert, consultant to the Administrator of the Civil Aeronautics Administration, attended the session as a United States observer.

*(Continued on page 963)*

### Effective Date of the Foreign Service Act

#### STATEMENT BY THE SECRETARY OF STATE<sup>1</sup>

I am happy to say that our Ambassadors and Ministers abroad are today getting their first pay raise since 1855. This is but one of the improvements in our Foreign Service made possible by the Foreign Service Act of 1946, which was passed by the Congress three months ago and which becomes effective today.

This measure provides a framework for the better Foreign Service which must represent this

country abroad. It is very encouraging to me that this act was passed by the unanimous consent of both Houses and that Republicans and Democrats alike contributed to its provisions.

The Service has already established a tradition of non-partisan activity in the execution of a national foreign policy. The broad base on which the new act rests sustains my belief that it will continue in that tradition.

### The American Foreign Service of Tomorrow

#### BY ASSISTANT SECRETARY RUSSELL<sup>2</sup>

Tomorrow a major change comes over the Foreign Service of the United States. The Congress, fully aware of the importance of our foreign relations, passed, without a dissenting vote, in its last session an act which not only reorganizes that Service but goes far to revitalize it and make it a more powerful instrument of our national will. That act becomes effective tomorrow morning.<sup>3</sup>

The Foreign Service of the United States is today an organization of some 11,000 persons who serve their country in every foreign land. Although the members of the Foreign Service are most widely known for the diplomatic aspects of their work, in actual fact they try to be all things to all Americans abroad. The good Foreign Serv-

ice officer must be a combination of diplomat, attorney, judge, minister, newspaperman, editor, salesman, businessman, farmer, sailor, and economist. He is the man to whom all Americans turn for help in facing the endless problems which arise in foreign lands.

Here at home many governmental and private agencies perform varied services for the American people. Abroad where our citizens must depend

<sup>1</sup> Made on the occasion of the coming into effect of the Foreign Service Act of 1946 on Nov. 13, 1946 and released to the press on the same date.

<sup>2</sup> Address made over the Columbia Broadcasting System from Washington, D. C. on Nov. 12, 1946 and released to the press on same date.

<sup>3</sup> BULLETIN of Aug. 18, 1946, p. 333.

much more on our Government's representatives almost all the services are combined in the Foreign Service of the United States. When there is a mutiny on an American ship, when an American citizen runs afoul of foreign laws, when an American is born overseas, or when he wants to get married, it is our Foreign Service that is always ready to protect his rights or to help solve his problems. When a foreign government or its private citizens want to know about our agriculture, our literary development, our latest aircraft, our mines, or our business firms, again the Foreign Service provides the answers. It is this universal quality of the Service which makes it so fascinating but at the same time so complex. The ideal Foreign Service is something we shall aspire to but, with only human material, may never fully achieve.

The Foreign Service of the past has in my opinion done an excellent job. Despite insufficient funds and inadequate personnel it has contributed much to our national welfare.

The Foreign Service of coming years, however, must shoulder a much heavier burden and must do it well if our national heritage is to be preserved. Today, as never before in our history, the fate of our people depends on a solid foreign policy and on efficient execution of that policy abroad.

American foreign policy is not determined by the Foreign Service. Much of the raw material of that policy, however, is provided by the Service in its flow of reports to the various departments of the Government. This flow of intelligence from overseas is the grist for the policy mill of our Government. The policy itself is, of course, basically determined by the American people, but the issues are clarified and the problems resolved in Washington with the help of the reports and evaluations from the Foreign Service.

It is in the execution of our foreign policy that the Foreign Service plays its major role. Our Foreign Service officers serving as Ministers and Ambassadors, Counselors, Secretaries of Embassy, Consuls, Vice Consuls, and Attachés, are largely responsible for the successful application of that policy throughout the world. On high levels such as the Council of Foreign Ministers or the Security Council of the United Nations, the

Secretary of State or the members of Congress may participate in policy implementation, but the great bulk of the work in its far-reaching detail is done in the field by the professional Service. If this world-wide Service performs its function well, if it represents our national will and skilfully executes our foreign policy, it may do much to bring us through the anxious years ahead without conflict and with the friendship and support of the nations of the world.

If on the other hand the Foreign Service bungles its job, if we clumsily make enemies in small things as well as large, we may find ourselves again facing a major war.

Fortunately the cost of a fine Foreign Service is not great from a monetary point of view. A single day of the last war cost \$245,000,000. One day of such a war could have operated the Foreign Service for years. I do not think I have to emphasize the point that the dollars spent on such a service are an investment if that service can help to make a war unnecessary. Even if it cost a great deal more, I am sure all would agree that it is worth it to have the reality of peace and prosperity in this world brought nearer. The Foreign Service is but one of several major tools to achieve this end but a very important one.

Tomorrow a great change comes over our Service, a change that has been long due and long hoped for. Thanks to the Foreign Service Act of 1946 we will be able to pay our personnel overseas salaries on which they can live and do their jobs. In the past our representatives abroad have often had to pay their own expenses. As a consequence it has sometimes been necessary for us to select men with a view to personal wealth. This has resulted in some instances in the man best fitted for the job not being available. With the salaries now authorized and the allowances which we hope the next Congress will appropriate, this unfortunate situation will largely be a thing of the past. We are still not as generous to our Foreign Service personnel as some other nations, but from tomorrow almost all of our representatives abroad will be able to live and work on their government salaries and allowances.

Tomorrow another anachronism is abolished: a professional Foreign Service officer will be able to accept the job of Minister or Ambassador

without withdrawing from the Service. Oddly enough in the past such an appointment required resignation from the Service. It was as if a colonel were required to resign from the Army to become a general.

But we cannot be content with the existing merits of the personnel, for it is only through growth and weeding out that the Service can attain the highly tempered efficiency for which we strive. There are always some who fall by the wayside, who fail to live up to the promise of younger years, who cease to develop. These men must go if there is to be a continual development and advancement of the Service as a whole. To achieve this end we will put into effect a promotion-up or selection-out program in some ways similar to that of the Navy. Foreign Service officers who fail to gain promotion after a given period of time will be retired from the Service to be replaced by those who are continuing to grow in stature. This will be hard on many men who have and will perform valuable services, but it is essential if the country is to have representation abroad of the caliber it requires today.

To carry on the development of Foreign Service personnel throughout their careers, a Foreign Service training program is now under way. Here we have borrowed from the sister services, the Army and the Navy, the concept of continuous in-service training throughout a man's career. We visualize our future representative abroad as having the benefit of several tours of duty at a Foreign Service Institute specifically designed to increase that man's value to the Service. We also hope, as part of this program, to enable officers to spend some time at leading universities broadening their backgrounds and expanding their interests. As a climax to the training of the future Ambassador or Minister, attendance at the National War College is envisaged. Already we have 11 officers taking the first course to be given by that highest-level Governmental educational organization.

In a further effort to broaden the base of the Service and to give it flexibility a Foreign Service Reserve Corps is being created. This will be composed of individuals of unusual skills and professions who will serve as officers overseas for short periods of time, and will give to the Ameri-

can representation the benefit of their specialized training and background.

Another basic change that comes over the Service tomorrow lies in the nature of its top direction, the Board of the Foreign Service. In the past the Department of State has had only limited advice and assistance from the other departments of the Government in the supervision of the Service which represents all national interests abroad. The new organization, the Board of Directors, so to speak, is made up of representatives of the Departments of Labor, Agriculture, Commerce, and State, with other governmental agencies sitting in when matters of concern to them are being considered. We feel that this joint supervision will reflect more clearly than in the past the true balance of our varied interests abroad. For in the broad picture our Service represents no one branch of our Government but our entire community of effort, and the broader the base of our guidance the sounder should be our actions.

I look forward to a tremendous improvement in the quality of our Service as well as to an increase in its strength. An increase from 11,000 to 17,000 members of the Service may not sound great in terms of other Government agencies, but we feel that it will take us out of the unhappy situation of just getting by with the job and into the solid position of doing the job thoroughly and well. One of the interesting aspects of this expansion, which is already under way, is the number of veterans of the recent war who are entering the Service. Among the Army, Navy, and Marine officers and men who fought World War II there has developed a keen sense of the importance of international relations. They have seen war, and they don't want to see another. The Service is most fortunate to be able to draw these men into its ranks, and we now estimate that within a year 40 percent of the Foreign Service officers who will be serving abroad will be veterans. They are bringing to our Service a valuable background—experience in the most rugged realities of life that will temper the Service in all its aspects.

Thus strengthened and revitalized the Foreign Service of tomorrow will more truly represent America and the ideals in which we believe. It may be one of the principal agencies for bringing about that world peace for which we all strive.

# The Foreign Economic Policy of the United States <sup>1</sup>

BY UNDER SECRETARY CLAYTON

Time and science having mastered those physical phenomena which served as the chief bulwark of the isolationists, the American people are now settling down to their responsibilities as full partners in world affairs and appear to like it. At least one would judge so from the attention which the subject receives, particularly in the press and on the radio. The emphasis so far having been on the political aspects of our foreign policy, I wish to direct your attention this evening to its economic aspects. The two are closely tied together.

The objective of the foreign economic policy of the United States Government is to lay the foundation for peace by an expansion in world economy, that is, by an increase in the production, distribution, and consumption of goods throughout the world, to the end that people everywhere may have more to eat, more to wear, and better homes in which to live.

Sounds very simple, doesn't it? And it is simple. It is only in the formulation of measures to achieve our objective that we run into some opposition and some difficulties.

But let us first examine the objective itself.

As we have said it is a simple objective. We do not claim for it any altruistic motives. There is, however, nothing inconsistent in the protection of enlightened self-interest with a due regard for the rights and interests of others. Indeed, the two almost invariably go hand in hand.

So, let us admit right off that our objective has as its background the needs and interests of the people of the United States.

We have here a large and growing population with the highest standard of living and the greatest productive capacity in the world. Indeed,

our productive capacity of many important commodities exceeds that of the rest of the world combined. That capacity, however, is geared to the production of much more of some things than our people require. Likewise, we require of many other things much more than we can produce.

Thus, the efficient operation of our productive machine leaves us with great deficits and great surpluses, which we must trade out with the rest of the world.

We need markets—big markets—around the world in which to buy and sell. We ask no special privileges in any of these markets. We hope that others will neither ask nor be granted special privileges.

In the Atlantic Charter, and again in the mutual aid agreements, we laid down the principle of free and equal access by all countries to the trade and raw materials of the world. We are devoted to that principle. It is basic. It doesn't mean free trade. It means non-discriminatory trade.

So much for the policy. Now how is it to be put into effect?

Measures for implementing this policy fall into two general categories:

The first relates to financial assistance to countries faced with problems of relief, reconstruction, and development.

Since the end of the war the United States Government has made available as grants for emergency relief and rehabilitation abroad about three billions of dollars. In addition, it has made available as credits for reconstruction and development in foreign countries, for the purchase of surplus property, and for the financing of lend-lease pipe-lines, inventories, etc., a total of about 17 billions of dollars. A grand total of about 20 billions of dollars. Nearly half of this sum represents contributions of the United States Government to international organizations to which other governments have also contributed substantially. It will take some time to lend and spend this money. Without this help and the hope which

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<sup>1</sup>Address delivered before the Thirty-Third National Foreign Trade Convention in New York, N. Y., on Nov. 13, 1936 and released to the press on the same date. Mr. Clayton is Under Secretary for Economic Affairs, Department of State.

it has revived in the hearts of millions of people, chaos would have followed the end of the war in some countries and world recovery would undoubtedly have been retarded for many years.

The second measure designed to promote the achievement of our objectives relates to the elimination of discriminations and the reduction of tariffs and other barriers which restrict world trade and limit the production and consumption of goods.

The United States Government is moving on a broad front in this field.

In the summer of 1945 the Hull Reciprocal Trade Agreements Act was renewed by Congress for the fourth time, and with broadened powers.

About a year ago the Government issued its *Proposals for the Expansion of World Trade and Employment*.

These proposals deal with such problems as reductions in trade barriers, elimination of discriminations in international trade, prevention of restriction of international commerce by the action of cartels and combines, intergovernmental commodity arrangements for dealing with the problem of surpluses, the adoption of a common code to govern the regulation of international commerce by governments, and the creation of an International Trade Organization under the Economic and Social Council to administer such a code.

Nearly a year ago, the Government of the United Kingdom announced its full agreement on all important points in these proposals and its acceptance of the proposals as a basis for international discussion.

Subsequently, the French Government made a similar announcement.

Since October 15, representatives of our Government have been meeting in London with spokesmen from 17 other countries as members of a preparatory committee of the United Nations Conference on Trade and Employment to discuss plans for a broad international agreement on the conditions of trade and a suggested charter of an International Trade Organization. This Conference was called by the Economic and Social Council of the United Nations.

Next spring we shall meet again with the same countries to negotiate specific reductions in tariffs,

the elimination of discriminations in international trade, and to reach more definite agreement on the charter.

Then, next summer or autumn, we expect that there will be a world conference under United Nations auspices to which most of the countries of the world will be invited for the purpose of discussing, and we hope accepting, the draft charter of an international trade organization worked out by the Preparatory Committee.

Out of this process should come agreement on reciprocal reductions of trade barriers and elimination of discriminatory practices; a code of foreign trade policy dealing with governmental trade barriers, restrictive practices by private business, and intergovernmental commodity agreements; and a constitution for an international trade organization.

Our objective is always an expansion in world economy through an increase in the production, distribution, and consumption of goods.

Our method—international agreement.

Formerly, nations acted unilaterally in matters affecting their international trade; in doing so, they usually hurt their neighbors, the neighbors retaliated, and, in the end, everybody was hurt and everybody was mad. Hereafter, we expect that actions affecting other countries will only be taken after consultation, through the machinery of the proposed International Trade Organization.

I do not need to argue before this audience the merits of measures designed to increase the exchange of goods and services between nations. The purpose of our attack on excessive barriers to such exchange is to bring about a rising standard of living for our people and for all peoples.

Although this alone cannot guarantee peace, the realization of higher living standards everywhere will create a climate conducive to the preservation of peace in the world.

We know from experience that the kind of economic warfare waged by most nations in the interwar period sows the seeds of discord and renders improbable any effective international agreement on the essential elements of peace.

Now, the principal criticism we hear of our program is this: that we are following the course pursued after the first World War in the stimulation of exports through foreign lending, and in the end

that the results will be the same: an unhealthy expansion in production followed by a collapse when the lending stops, inability to collect the sums loaned abroad, getting ourselves called "Uncle Shylock", and, in the end, making enemies and not friends.

Well, I am afraid this does describe what happened after the first World War but it tells only part of the story. In that war, we ran debts against our Allies for the billions of dollars of munitions and supplies which we furnished them and which they shot away at our common enemies. This time we knew better. We have not asked our Allies to return in kind or in money things consumed or destroyed in our common defense. We knew they could never be returned.

Following the first World War, it is true that much American capital was loaned and invested abroad. It is also true that while this was going on Congress piled one high tariff on top of another, making it extremely difficult for foreigners to repay.

In spite of this, while there have been some extremely bad spots, our investors abroad have not fared badly on the whole.

A study by the Department of Commerce shows that on an aggregate investment abroad of approximately 13 billion dollars, United States investors received during the 21-year period 1920-1940, approximately 12 billion dollars in interest and dividends. At the end of 1940 their foreign investments were still estimated to be worth nearly 10 billion dollars. Put another way, American investors got practically 3 percent per annum on their money invested abroad for 21 years plus the return of 30 percent of their capital, with the remaining 70 percent estimated to be worth 100 cents on the dollar.

Investors in American railway bonds and American real estate bonds, for example, did not fare so well.

This time we know better than to raise tariffs. On the contrary, we propose to make reciprocal, selective reductions in tariffs and to clear away other impediments to the international exchange of goods in order that our debtors may have an opportunity to repay us, may continue to buy our surpluses, and in order that our standard of living and theirs may be raised, not lowered.

But, the critics are saying: "That is all very well. Your policy will be very popular while the proceeds of your loans are being spent with resultant increase in exports, in production and employment, but just wait until the borrowers start paying back by the shipment of goods into the United States in competition with our own production, then you will see what will happen; production here will drop, unemployment will set in, and the depression will be on."

This view fails to take account of important changes in our domestic economy in the past decade.

With a substantial increase in population accompanied by a 50 percent expansion in domestic economy, we need more of foreign goods of all kinds. Much larger imports of raw materials are required to feed our greatly expanded facilities for the manufacture of producer and capital goods. Our productive facilities in the consumer goods field have shown comparatively little increase in the past decade; hence, our need to import larger quantities of such goods to satisfy the demands of a prosperous and growing population.

It will require less than a billion dollars a year for 25 years to completely amortize all the foreign credits made available by our Government since the end of the war, including our contributions to the International Bank and the International Monetary Fund. After a few years, this sum should be provided by the annual expenditures of American tourists alone.

Many people still look upon the United States as nearly self-sufficient. As a matter of fact, this was never true by any modern standard and it is much less true today than ever before.

Due to the serious depletion of our natural resources during the war, we must now import many metals and minerals which before the war we even sometimes exported, such as copper, lead, and zinc. Today we must annually import 150 to 200 million dollars worth of copper alone, whereas before the war, we sometimes exported copper.

Indeed we are today net importers of practically all the important metals and minerals except two—coal and oil. Who knows how long we can go without importing oil?

In the past, the emphasis in our foreign trade has been on exports; within the near future it will

probably be on imports. This is true because of our shift from debtor to creditor, because of the depletion in our natural resources, and because of the wants of a growing and prosperous population.

No nation in modern times can long expect to enjoy a rising standard of living without increased foreign trade.

Because of our dependence upon imports of strategic metals and minerals, what happens to American-owned reserves of such materials abroad is a matter of national concern. We ask no special privileges. American enterprises in the foreign field require only equitable treatment, and the right of the free flow of their products to market.

The rights of all legitimate enterprises established by U.S. nationals abroad are of concern to the Government. They are dealt with in treaties of friendship, commerce, and navigation similar to the treaty which we signed with China last week. We are actively at work on a major program for negotiating treaties of this character with many governments. The program is designed to modernize and extend the coverage of existing treaties, some of which are more than a century old. These instruments determine the basic treaty rights of American nationals, corporations, goods, and vessels in foreign countries. In most respects they are completely mutual, assuring the other country the same rights as are obtained by the United States. They complement the provisions of the draft charter of the International Trade Organization with respect to trade barriers.

Now, these plans and programs which we have been discussing this evening would have little meaning in these times if they did not tie right into the problem of world peace. Not all wars have had their origins in economic causes but most of them have. This is recognized in the organization of the United Nations where the Economic and Social Council is a principal organ along with the Security Council.

Our program for expansion of world economy and the promotion of economic peace among nations, which will always be associated with the beloved name of Cordell Hull, has become a national program endorsed by leaders of both parties, supported by labor, agriculture, and industry, and

opposed only by special interests seeking the preservation of a high protectionist policy. The National Foreign Trade Council has always been in the forefront of the supporters of this program.

Our objective can be finally achieved only through the constant watchfulness and support of the American people. An abandonment of the program is unthinkable because it would be a step backward with serious consequences for the peace of the world.

There are only two economic roads open to us. One leads backward to the tragic mistakes all of us made following the first World War. The other leads forward to prosperity and peace.

Which road shall we take?

The answer depends on you and me and 140 million other Americans.

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#### **Chemical Society Gift**—*Continued from page 938*

The text of the resolution approved by the board of directors of the American Chemical Society is as follows:

“It was moved, seconded, and carried that a sum not to exceed twenty-five thousand dollars (\$25,000) be appropriated for the payment of expenses in this country of foreign chemists and chemical engineers who wish to engage in advanced study and who could not make the trip without such aid, the persons to be designated by the Secretariat of the United Nations Educational, Scientific and Cultural Organization, provided that those chemists and chemical engineers selected agree to return to the country of their origin for a period of not less than two years after completion of their work in this country, and further provided that adequate funds for this purpose have not been provided to UNESCO by the participating nations, and further provided that the Division of Natural Sciences of UNESCO is organized in a manner which the American Chemical Society Board of Directors believes adequate to accomplish its purpose; and that the Treasurer be and is hereby authorized and instructed, upon certification by the Secretary of the Society that the conditions herein specified have been met, to make the necessary expenditures from funds not otherwise appropriated.”

# Prosecution of Major Nazi War Criminals

## REPORT FROM FRANCIS BIDDLE TO PRESIDENT TRUMAN<sup>1</sup>

[Released to the press by the White House November 12]  
*Text of letter sent by the President on November 12 to Francis Biddle, United States Member of the International Military Tribunal*

DEAR JUDGE BIDDLE:

I am profoundly impressed by your report, which I have studied with careful attention.

When the Nürnberg Tribunal was set up, all thoughtful persons realized that we were taking a step that marked a departure from the past. That departure is emphasized in the verdict and the execution of the Nazi war criminals and in your recommendations for the guidance of nations in dealing with like problems in the future. An undisputed gain coming out of Nürnberg is the formal recognition that there are crimes against humanity.

Your report is an historic document. It is encouraging to know that the dissent of the USSR was not on the fundamental principle of international law but over the inferences which should be drawn from conflicting evidence.

I am impressed by the change in point of view of the defendants and their lawyers from indifference and skepticism at the outset to a determination to fight for their lives. The fact that you and your colleagues could bring about this change in attitude is in itself a tribute to the judicial spirit and objectivity of the Tribunal.

I am satisfied that the defendants received a fair trial. I hope we have established for all time the proposition that aggressive war is criminal and will be so treated. I believe with you that the judgment of Nürnberg adds another factor tending toward peace.

That tendency will be fostered if the nations can establish a code of international criminal law to deal with all who wage aggressive war. The setting up of such a code as that which you recom-

mend is indeed an enormous undertaking, but it deserves to be studied and weighed by the best legal minds the world over. It is a fitting task to be undertaken by the governments of the United Nations. I hope that the United Nations, in line with your proposal, will reaffirm the principles of the Nürnberg Charter in the context of a general codification of offenses against the peace and security of mankind. All of these recommendations bring into special prominence the importance of the decisions which lie in the future.

Since your work is completed I accept as of today your resignation as United States Member of the International Military Tribunal. You have been part of a judicial proceeding which has blazed a new trail in international jurisprudence and may change the course of history.

To your work you brought experience, great learning, a judicial temperament and a prodigious capacity for work. You have earned my thanks and the thanks of the Nation for this great service.

Very sincerely yours,

HARRY S. TRUMAN

*Text of Judge Biddle's report to the President*

WASHINGTON, D. C.

November 9, 1946.

DEAR MR. PRESIDENT:

You will remember that when I conferred with you after my return from Nürnberg you asked me to make a report to you on The International Military Tribunal for the punishment of the major Nazi war criminals, and to make recommendations for further action. This report and these recommendations I now have the honor to submit to you.

When you appointed me, a little over a year ago, as the American Member of the Tribunal you expressed your abiding interest in this, the first serious attempt to try those leaders of Germany who had been responsible for launching the war and who were the prime cause of the appalling atrocities which followed in the wake of that war.

<sup>1</sup> Judge Biddle was United States Member of the International Military Tribunal. For further information, see Report of Justice Jackson, BULLETIN of Oct. 27, 1946, p. 771.

You were particularly anxious. I remember, that no disagreement should arise among the four great nations who on August 7, 1945, had signed the London Agreement and Charter providing for the trial, formulating the law and establishing the practice, a disagreement which might prevent or obstruct this significant experiment in the field of international justice. It was your hope that Nürnberg might serve as a working example for the world of how four nations could achieve results in a specific field of endeavor. You recalled the failures in trying war criminals after the first World War, and were fully aware of the difficulties that would be encountered. There were four different systems of law and practice to be reconciled, with their varying points of view and procedures. International law—the law and practice of nations—was indeed a base and a background, but had in its practical application become somewhat sterile and academic. Language difficulties were presented, the whole thing was in a tentative and uncertain state.

It is not, of course, for me to say whether justice was done by the Judgment of Nürnberg. That Judgment is now being discussed by the informed public opinion of the United States and of the world. But I think I can say that the unity of action that you hoped for among the four nations a year ago has been well realized. The fundamental principles of international law enunciated by the Judgment of Nürnberg were stated unanimously in the opinion of the Tribunal by the four member nations, the United States, United Kingdom, Republic of France, and the U.S.S.R.

This unity resulted from a willingness by all four nations to compromise on inevitable and desirable differences in points of view. This give and take, the essence of the democratic process, could not have been accomplished over night. Many weeks went by before mutual confidence between the members, an essential condition to prompt and effective work, was established. We were not interrupted by other engagements. We did not adjourn. We stayed in Nürnberg for a year, until finally the job was done. And this stability, this day-to-day relationship, made easier the development of a habit of cooperation. The Tribunal, for instance, sat in public session for six hours every day.

Parenthetically I should like to add a word about the dissent of the U.S.S.R. The comments I have made about the unanimity at Nürnberg are not affected by the dissent on certain individual defendants, as, indeed, the judges of the U.S.S.R. were careful to point out. The dissent did not express any disagreement with the fundamental principles of international law, in which General Nikitchenko fully joined; in fact it was on those principles that he based the reasoning for his dissent. The dissent in a word was over the inferences which should be drawn from conflicting evidence. I personally believe that this difference—on the facts and not on the law—was extremely healthy.

At the beginning we established a rule that no member of the Tribunal should talk to the press or give interviews. This was rigidly adhered to. Any announcements were made through the General Secretary, and were announcements of the Tribunal, not of any individual member. Very soon we found that less constraint existed if our conferences were not minutely recorded. We therefore kept only a brief record in our minutes of the decisions. On rare occasions a member would record his disagreement, giving the reasons. These private sessions were held two or three times a week so as to deal currently with the constant flow of motions and applications.

When I use the word *members* I mean to include the alternates. Except in the actual voting in decisions, which was the responsibility of the members under the Charter, the alternates took as active a part at the private sessions. And I should like here to express my gratitude to my associates—the fairness and courtesy of the British; the patience and cooperation of the representatives of the U.S.S.R.; the French sense of logic coupled with a warm feeling for human justice. The long judicial experience and sound common sense of my alternate, Judge Parker, were of the greatest assistance to me, and, indeed, to all of us.

It was interesting to feel—what all of us so keenly felt—the change in the point of view of the defendants and their lawyers as the trial progressed. At first they were indifferent, skeptical, hostile. But very soon, as the Tribunal ruled on the merits of the motions that arose, frequently against the prosecution, and went to great

pains to obtain witnesses and documents even remotely relevant to the defendants' case, this attitude changed: the defendants began to fight for their lives. And what had threatened to be a sounding board for propaganda or a stage for martyrdom, turned into a searching analysis of the years that felt Hitler's rise to power and his ultimate destruction—the objective reading of this terrible chapter of History. This change was in itself an instinctive tribute to our concept of Justice.

What, basically, did Nürnberg accomplish? Within a year and a half after the war ended the major war criminals were tried and punished. Although the judges were selected from the victorious allies, the trial was fair. This has been universally recognized. But of greater importance for a world that longs for peace is this: the Judgment has formulated, judicially for the first time, the proposition that aggressive war is criminal, and will be so treated. I do not mean that because of this interpretation men with lust for conquest will abandon war simply because the theory of sovereign immunity cannot be invoked to protect them when they gamble and lose; or that men will ever be discouraged from enlisting in armies and fighting for their country, because military orders no longer can justify violations of established international law. Such a conclusion would be naive. But the Judgment of Nürnberg does add another factor to those which tend towards peace. War is not outlawed by such pronouncements, but men learn a little better to detest it when as here, its horrors are told day after day, and its aggressive savagery is thus branded as criminal. Aggressive war was once romantic; now it is criminal. For nations have come to realize that it means the death not only of individual human beings, but of whole nations, not only with defeat, but in the slow degradation and decay of civilized life that follows that defeat.

The conclusions of Nürnberg may be ephemeral or may be significant. That depends on whether we now take the next step. It is not enough to set one great precedent that brands as criminal aggressive wars between nations. Clearer definition is needed. That this accepted law was not spelled out in legislation did not preclude its existence or prevent its application, as we pointed out in some

detail in the Judgment. But now that it has been so clearly recognized and largely accepted, the time has come to make its scope and incidence more precise. Thus in 1907 the Rules of Land Warfare adopted by the Hague Convention did not so much create new law as formulate for more effective application a definition of those practices which had been already outlawed for many generations by most civilized nations. These practices were not specifically termed criminal by the Convention. But thereafter they have always been punished as crimes.

In short, I suggest that the time has now come to set about drafting a code of international criminal law. To what extent aggressive war should be defined, further methods of waging war outlawed, penalties fixed, procedure established for the punishment of offenders I do not here consider. Much thought would have to be given to such matters. But certain salutary principles have been set forth in the Charter, executed by four great powers, and adhered to, in accordance with Article 5 of the Agreement by 19 other governments of the United Nations. Aggressive war is made a crime—"planning, preparation, initiation or waging of a war of aggression." The official position of defendants in their governments is barred as a defense. And orders of the government or of a superior do not free men from responsibility, though they may be considered in mitigation.

For, as we pointed out in the Judgment, criminal acts are committed by individuals, not by those fictitious bodies known as nations, and law, to be effective, must be applied to individuals.

I suggest therefore that immediate consideration be given to drafting such a code, to be adopted, after the most careful study and consideration, by the governments of the United Nations.

The Charter of the United Nations provides in Article 13 that "the General Assembly shall initiate studies and make recommendations for the purpose of . . . encouraging the progressive development of international law and its codification." Pursuant to this Article the United States has already taken the initiative in placing upon the Agenda of the General Assembly meeting in New York the question of appropriate action. The time is therefore opportune for advancing the proposal that the United Nations as a whole re-

affirm the principles of the Nürnberg Charter in the context of a general codification of offences against the peace and security of mankind. Such action would perpetuate the vital principle that war of aggression is the supreme crime. It would, in addition, afford an opportunity to strengthen the sanctions against lesser violations of international law and to utilize the experience of Nürnberg in the development of those permanent procedures and institutions upon which the effective enforcement of international law ultimately depends.

I am taking this opportunity to resign as the United States member of The International Military Tribunal and am asking that you make my resignation immediately effective. I want to thank you for the honor of being appointed, for the admirable and intelligent help given us by the United States Army of Occupation in Germany which your orders made immediately available.

With warm personal regards, believe me,  
Respectfully yours,

FRANCIS BIDDLE

## Recommendations by Ambassador Pauley on Japanese Reparations

[Released to the press November 17]

The Acting Secretary of State announced on November 17 that Ambassador Edwin W. Pauley, United States Reparations Representative, had that day submitted to the President a comprehensive report on Japanese reparations compiled after an exhaustive study of Japanese industries by a mission of American experts under his direction.

Ambassador Pauley's report recommends complete removal of all plants devoted to the making of arms, ammunition, and implements of war (other than those subject to destruction or scrapping by the military), and all plants making synthetic rubber, aluminum, and magnesium.

It recommends substantial removals of facilities in these categories: electric power, iron and steel, iron ore and ferro-alloy minerals, copper, machine tools, chemicals, heavy electrical machinery, industrial explosives, communications and communications equipment, railroad equipment and rolling stock, shipbuilding and merchant shipping.

The Pauley report proposes immunity from reparations for the following industries: handicrafts (including pearl culture), silk, leather, fisheries, light electrical appliances, cement and building materials, food processing, lumber and sawmill equipment, ceramics, coal, crude petroleum, crude-rubber processing, mining of gold and silver, and refining of zinc, lead, tin, sulphur, and pyrite.

It leaves for later determination the decisions

as to woolen textile machinery, synthetic fiber, cotton, paper, and pulp.

The report was completed in April and was submitted to the Department of State for review by the State-War-Navy Coordinating Committee before presentation to the President.

In submitting his report to the President, Ambassador Pauley said:

"The present report is intended to develop further the principles and recommendations of my interim report, submitted to the President on December 19, 1945.

"In that report, I emphasized the importance of an immediate program of deliveries to the nations entitled to reparations. I have reaffirmed that emphasis in the present report because my observations and those of my staff indicate the rapid deterioration of a great deal of material in Japan, owing to exposure to the elements and to packing difficulties."

In his interim report, Ambassador Pauley also pointed out that the recommended interim removals would probably be below the total sum which the Allied governments would eventually allocate to reparations. In the present report, in a number of instances, he recommended greater reductions of Japanese plants and facilities but in other instances he recommended some increases in plant capacity to be allowed to remain in Japan.

Concerning potential effects upon Japan's econ-

omy, Ambassador Pauley said that "in every instance, my recommendations follow the principle of severity combined with fairness in order to effect the industrial disarmament of Japan, but, at the same time, to make it possible for the Japanese people to establish a reasonable economy under which they can live at peace with all nations and especially with the nations against which they so recently aggressed." He continued:

"In this report, I have not dealt specifically or separately with Japanese industrial assets in countries or territories formerly ruled or overrun by Japan. In respect to all such countries and territories, I feel strongly that the American policy should not be to remove Japanese-owned industrial assets. On the contrary, the Japanese physical assets should remain in countries in which they are located and their value entered against the reparations claims of those countries.

"Furthermore, American policy should concern itself with determining what Japanese plants and equipment in Japan proper, formerly used to exploit the raw materials and human resources of a territory subject to Japanese rule or control, can advantageously be transferred to help round out an independent economy for that territory and its people."

In his report, Ambassador Pauley strongly recommended against four kinds of reparations: labor reparations, reparations from current production or recurrent reparations, reparations out of stocks and materials on hand, and the taking of stocks and bonds of commercial enterprises in Japan as reparations.

"Generally speaking", he said, "the nations which are entitled to reparations from Japan have a surplus of labor themselves, and I believe that the exportation of Japanese labor as reparations would delay the raising of the standards of labor and of living which are so urgently needed throughout eastern Asia.

"As to recurring reparations, I oppose them because they could only be achieved by expanding the industry of Japan. The result would be to leave Japan, after the reparations program had been completed, both with a surplus capacity con-

vertible to war potential and with a competitive potential in export markets which would delay the industrialization of neighboring countries."

As to reparations from existing inventories, stocks and materials on hand, except gold and other precious metals, Ambassador Pauley expressed the belief that such surpluses will be needed for commercial export during the transitional period to enable Japan to purchase minimum necessary imports.

The effort to take reparations in stocks and bonds, he commented, "is not only inconsistent with our whole policy of taking reparations, 'in kind', but would lead us to build up Japanese industry."

Describing the responsibility of his mission, the Ambassador stated:

"The mandate under which my mission has worked is to formulate policy. In order to execute that mandate, I have directed members of my mission to work with the kind of information which relates to broad categories of economic activity and to the relative orders of magnitude of those categories of economic activity most pertinent to reparations. I have therefore felt under no compulsion to require verification in minute detail of the accuracy of inventory and other data from Japanese sources furnished to my mission either directly or through the Supreme Commander for the Allied Powers.

"All members of my mission share the conviction that eventually the Japanese must be called on to furnish complete and accurate information in full detail. They can be constrained to do so by relatively simple programs of inventory and licenses, with appropriate penalties—such as confiscation—for misinformation or concealment of information."

Ambassador Pauley emphasized that "even the most conscientious formulation of policy necessarily leaves a number of marginal problems which must eventually become part of the responsibility of the executive agency which is charged with the implementation of policy."

"For instance, through disarmament and through reparations Japanese industry will eventually be unable to operate with some of the imported supplies that it formerly used, or to con-

tinue to manufacture a number of commodities which it formerly exported. In terms of broad categories, such contingencies can be foreseen and allowed for in the formation of policy; but it is impossible to foresee and allow for all contingencies.

"It is possible, however, to foresee that because of marginal industrial idleness arising from the effects of the reparations policy as a whole, a further surplus of equipment may become available either for reparations or for conversion to ap-

proved uses. In such cases, it is advisable that the Allied Powers should be in a position to authorize prompt decisions."

The Acting Secretary of State wishes to take this opportunity to express the appreciation of the State Department for the contribution which this report and the other reports which Ambassador Pauley and his staff have prepared on Japanese reparations have made to the United States policy on this subject.

## American Business With the Far East

BY JOHN CARTER VINCENT <sup>1</sup>

American business with the Far East began 162 years ago. The *Empress of China*, out of New York, put into Canton on August 30, 1784 after making a tortuous six-months' voyage around the Cape of Good Hope. The vessel's cargo, made up of furs, cotton, lead, and ginseng, was exchanged at Canton for tea, silk, and chinaware. The total investment in the venture was \$120,000. The promoters cleared \$30,000. This was good business; it was private enterprise; and it was mutually beneficial. I hasten to say here that I do not actually know how much the Chinese made out of the furs, cotton, lead, and ginseng, but having had some knowledge of Chinese businessmen, I still think I am safe in saying that the benefit was mutual.

In the course of the nineteenth century American business with the Far East expanded. Gradually our trade extended to other portions of the Far East: Japan, Korea, the Philippines, Siam, and adjoining areas of Southeast Asia. Throughout this period American trade with the Far East was based on sound business considerations. We asked for no concessions or special rights, nor were our business dealings based upon exploitation associated with political privilege or pressure.

During the nineteenth century the basic factor in our close ties with the Far East was trade. Our early treaties with China and Japan were framed largely with American business in mind. After

the Spanish-American War and our assumption of territorial responsibilities in the Pacific, notably in the Philippines, political and strategic factors gained weight, but on into the twentieth century commercial and cultural considerations were still to the fore in shaping our policies toward the Far East. Our enunciation of the "Open Door" and our insistence on non-discriminatory and most-favored-nation treatment were motivated largely by a desire to promote American business and expand international trade relations.

In his radio address last month Secretary Byrnes gave voice to traditional American trade policy in the following words:

"The United States has never claimed the right to dictate to other countries how they should manage their own trade and commerce. We have simply urged in the interest of all peoples that no country should make trade discriminations in its relations with other countries."<sup>2</sup>

By 1936 our foreign trade or business with the Far East was valued at close to one billion dollars. In the 20-year period from 1915-35 the Far East's share of our total exports increased from 5 percent

<sup>1</sup> Address delivered before the thirty-third convention of the National Foreign Trade Council in New York, N. Y., on Nov. 12, 1946 and released to the press on the same date. Mr. Vincent is Director of the Office of Far Eastern Affairs, Department of State.

<sup>2</sup> BULLETIN of Oct. 27, 1946, p. 743.

to 16 percent. In 1936 our total direct investments in the Far East amounted to roughly \$335,000,000.

In making this brief sketch, I have in mind a recent tendency toward taking an unbalanced viewpoint of our role in the Far East. Political and military considerations, as important as they are, seem to me to occupy a disproportionate share of present public attention. It is accepted that an all-important objective of our policies is to provide for the security of the United States and the maintenance of international peace, but I think we also have another objective of equal importance, that is, to bring about in the relations between ourselves and other states mutually beneficial commercial and cultural exchanges which will promote international welfare and understanding.

These are interrelated objectives. I feel strongly that we cannot be successful in achieving the kind of security we want, or in maintaining the kind of peace we want, unless we take an active and leading part in international commercial and cultural life. I will go further and say that a strong element in our security, and in the maintenance of peace, will be the development of commercial and cultural ties with other peoples.

At the same time, it is my conviction that a strong national defense is essential to the pursuit of our broader objective of developing commercial and cultural relations. We must be equal to the task of encouraging and supporting democracy and progress. There may be times and occasions when, in the short view, it will seem advantageous to our security to throw our weight or influence on the side of the *status quo*, on the side of those forces calculated to bring about immediate or early stability. But history, I believe, will show that strength lies on the side of progress.

In Chicago last April the President said:

"In the Far East, as elsewhere, we shall encourage the growth and the spread of democracy and civil liberties . . . The roots of democracy, however, will not draw much nourishment in any nation from a soil of poverty and economic distress. It is a part of our strategy of peace, therefore, to assist in the rehabilitation and development of the Far Eastern countries."<sup>3</sup>

<sup>3</sup> BULLETIN of Apr. 14, 1946, p. 623.

<sup>4</sup> BULLETIN of Oct. 27, 1946, p. 753.

Today we are faced with the problem of a return of American business to the Far East under conditions which are, to state it mildly, uninviting. Japan is a defeated country whose economy must perforce remain under Allied control for some time to come. Korea is a liberated country split in half at parallel 38 between us and the Russians. In China internal strife seriously retards steps toward economic recovery. In the independent Philippine Republic we are faced with a new situation to which we must adjust ourselves. In Indochina and Indonesia a return to normal trade conditions awaits a solution of problems presented by the self-governing aspirations of the peoples in those countries. In Siam—well, Siamese in Washington tell me that they will be glad to do business with any or all of you who will show an interest in their country.

But the over-all picture is not encouraging and it is not my intention to dress it up in attractive colors. In the brief time allotted me I want to say something of what we are doing in the various areas of the Far East to brighten the outlook.

General MacArthur has demilitarized Japan, but it is impossible to proceed with plans for post-war Japanese economy until some decision is reached with regard to the amount and types of industry that Japan will be allowed to retain and the amount that is subject to removal as reparations. We have reason to hope that a decision on the problem of reparations will be reached before the end of this year. Our main purpose shall be to achieve a healthy balance in Far Eastern economy for the benefit of commerce in the Far East and at the same time to insure the effective industrial disarmament of Japan.

As you know, Japanese overseas trade is controlled on a government-to-government basis. An Inter-Allied Trade Board for Japan was recently established by the Far Eastern Commission at the request of the United States.<sup>4</sup> Its purpose is to advise on the disposition of Japanese exports and on sources of imports.

Among the present obstacles to a change-over to private trading are an inflated and unstable currency and the inadequacy of transport and communications facilities. Although it is not possible to say how soon these obstacles can be overcome, I might hazard the guess that a resumption of

private trade with Japan will be possible some time during the latter half of next year, possibly sooner.

In Korea, we are now estopped from putting into operation an over-all economic plan by the inability of the Russians and ourselves to reach agreement on a unified administration for the country. We want a united Korea and we want to assist the Koreans toward self-government and independence. But while we continue our efforts to bring about a resumption of discussions in the Joint Soviet-American Commission, we cannot mark time. Therefore, we are taking measures to improve economic conditions in southern Korea and to bring Koreans more and more directly into the administration of their country. In doing so, however, we do not lose sight of the fact that a united self-governing Korea is the goal we are determined to achieve.

From what I have said it will be apparent to you why private trading in Korea is not now feasible. But the development of a healthy trade relationship between Korea and Allied nations is our aim, and consideration is now being given to measures which may soon make possible limited trade relations between Korea and private business concerns. We hope that American business will take an active interest in Korea.

Foremost among the problems facing the Philippines is reconstruction. Congress has approved two measures: the "Philippine Rehabilitation Act" and the "Philippine Trade Act of 1946".

The rehabilitation act authorizes a grant of \$620,000,000 for the payment of war claims of private property-holders, for various rehabilitation and training projects, and for purchase of surplus property. In addition, Congress has authorized a loan of \$75,000,000 to the Philippine Government to enable it to meet a serious budgetary situation.

The "Philippine Trade Act" provides that the Philippines shall continue to enjoy free trade with this country for a period of eight years, after which a graduated tariff will apply until full duties are levied at the end of 20 years.

We expect to cooperate with the new Republic in meeting the manifold problems facing it as an independent state. It may be anticipated that, with a return to more normal conditions, the Phil-

ippines will again represent a substantial and expanding market for American products.

From the standpoint of business, the areas of Southeast Asia have been of interest to the United States primarily as a source of supply for such products as rubber, tin, and petroleum. Because of our large purchases of these items our pre-war trade was in a chronic state of imbalance, our sales in most years being only about one tenth of our purchases.

You may recall a recent press statement by the Under Secretary of State for Economic Affairs, Mr. Will Clayton, to the effect that the United States should give greater support to foreign investments of its nationals in strategic minerals that are in short supply. This statement has a special application to the countries of Southeast Asia, and the Far East generally, as sources of supply of a number of strategic and critical materials. Investment along the lines proposed by Mr. Clayton should have the effect of increasing the importation of American materials into the areas concerned.

Last but far from least we have China.

We have signed with China a comprehensive "treaty of friendship, commerce and navigation". Most-favored-nation treatment is provided for individuals and corporations.

The treaty is somewhat broader in scope than existing United States commercial treaties in a number of respects. For instance, article 19 provides for fair and equitable treatment as regards the application of exchange controls, and article 20 embodies certain commitments with regard to monopolies. It is designed to meet the needs of present-day commercial relations with China.

China is expected to collaborate in the establishment of the proposed International Trade Organization and is one of the "nuclear" countries which have agreed to negotiate for the reduction of trade barriers. China will also be urged to enter into other multilateral economic conventions having as their objectives a promotion of international trade and the solution of international commercial problems through consultation and collaboration. Constant effort is being made to discourage other countries, including China, from adopting temporary measures in the fields of tariffs, trade barriers, and other domestic legis-

lation of a type which might jeopardize the successful attainment of this long-range economic collaboration.

Restoration of stability and direction in Chinese economy is retarded by the unhappy politico-military situation. The press, I feel, has made abundantly clear to you the ups and downs of General Marshall's mission. The National Assembly is scheduled to meet in Nanking today for the purpose of considering a constitution and reaching certain political decisions in regard to government organization. General Marshall hopes, and so do we, that wise counsels—the wisdom of China—will prevent the disaster of continued civil discord. Chinese economy and the Chinese people are already suffering acutely from the ravages of eight years of Japanese aggression and occupation. They cannot stand much more adversity.

Premier Soong has been reported recently as stating that upwards of 80 percent of China's expenditures are diverted to military purposes. Because of the wide gap between revenues and expenditures China has had to resort to large note issues with the inevitable result of accelerating inflation and a progressive rise in prices. The foreign exchange that might normally be expected to accrue from exports has been negligible in relation to outgo for imports. Consequently China's current balance-of-payments position has continued to deteriorate.

The exchange and foreign-trade regulations adopted by China, UNRRA's relief and rehabilitation program, and surplus sales and enemy-property disposals are only temporary palliatives. The Chinese must resolve the the present political impasse before any substantial improvement can be expected in China's economic situation.

In this connection I think it worthwhile to mention what I feel has been in some quarters a misinterpretation of General Marshall's mission as being solely political in its objective. Chinese economy is in a vicious circle. General Marshall is fully aware of this state of affairs and it has been his purpose to encourage the Chinese to break the vicious circle by reaching a political settlement that would result in a cessation of civil strife and make possible a revival of economic

activity. Sooner or later this must be done, and be done by the Chinese.

Military measures will not accomplish an enduring settlement. That is why General Marshall has advocated with such persistency settlement by the democratic method of negotiation and agreement.

In making this brief sketch of current conditions in the Far East I cannot be accused of optimism. But I do think the potentialities of an expanding American business with the Far East exist and can be developed if we go about it in the right way. This brings me to a thought which I would like to express and emphasize. When I use the term *American business* I have in mind all American business irrespective of whether it has a private, semi-official, or official character. I do not believe that we can have one standard for private business and another standard for official business.

A recent editorial in the *New York Times* states that our Government should base a loan policy upon the important principle "that loans are not gifts, and that any country applying for a loan must furnish, like any prospective private borrower, convincing proof that by virtue of its political, economic and trade policies it is a good credit risk".

Generally speaking, what is unsound for private capital is unsound for government capital, that is, for the taxpayers' money. I believe it is unsound to invest private or public capital in countries where there is wide-spread corruption in business and official circles, where a government is wasting its substance on excessive armament, where the threat or fact of civil war exists, where tendencies toward government monopolization exclude American business, or where undemocratic concepts of government are controlling.

In expressing the foregoing views, I do not of course ignore the advantages of cooperation between government finance and private trade or the fact that there are fields for the investment of government capital into which it is not feasible or attractive for private capital to venture. I have in mind large-range and long-term projects which are basic in character and are fundamentally sound from the standpoint of the economy of the country.

Assistant Secretary of State Spruille Braden

stated some weeks ago in Chicago that "the purpose of lending should be to create a net increment to the economy of a borrowing country. Therefore," he went on to say, "loans should not be made if they enable another government to acquire or displace existing efficient free enterprises, whether they be American in ownership or not."

In stressing the economic and trade features of our position in the Far East, I do not wish to give the impression that I am overlooking other factors. In this complicated world in which we are living we must give full consideration to the interrelation of the political, cultural, economic, and security factors in our foreign policy. For our policy to be effective there must be harmony among all these factors—the teamwork we find in a good basketball team or a fine string quartet.

The President, in establishing the Committee for Financing Foreign Trade, said: ". . . I am anxious that there shall be fullest cooperation between governmental agencies and private industry and finance. Our common aim is return of our foreign commerce and investments to private channels as soon as possible."

I look upon this statement as a recognition of and a challenge to American business. I am in Washington to do my part in carrying out the cooperation of which the President speaks. Please call on me if I can be of help to you in meeting the challenge.

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#### **Air Navigation Meeting**—Continued from page 946

The more significant actions taken by the Commission are contained in the resolutions quoted below:

##### 1. The Commission,

taking into consideration the possibility of an early entry into force of the International Civil Aviation Convention done at Chicago on 7th December 1944 and the consequential denunciations of the Paris Convention by member States,

decides:

that each member State shall be at liberty to declare that it will cease to give effect in its territories to all or any of the provisions of Annexes A to G of the Paris Convention dated 13th October, 1919 as from a date or dates to be notified not less than 30 days in advance by the State concerned to the General Secretary of the Commission, who shall inform the other member States

and recommends:

that each member State shall give effect in its territories to the corresponding provisions approved by the Council of PICAO as fully and as quickly as possible.

##### 2. The Commission,

taking into consideration the possibility of an early entry into force of the Convention on International Civil Aviation drawn up in Chicago on 7th December 1944 and the consequential denunciation of the Paris Convention,

and deeming it desirable to prepare now for the eventual liquidation of the ICAN,

decides to set up a Liquidation Committee charged to study and recommend the measures to be adopted for this liquidation.

##### 3. The Commission,

taking into consideration the suspension of the work of its sub-commissions by reason of the possible liquidation in the near future of the ICAN,

decides not to renew the appointment of its sub-commissions and committees with the exception of the Legal Sub-Commission.

The terms of reference of the Liquidation Committee were agreed upon as follows: (a) to prepare a plan of liquidation for submission by the General Secretary to the member states for their acceptance; (b) and if the liquidation plan is accepted unanimously, to place it into effect on April 1, 1947 or on the date of the coming into force of the convention on international civil aviation signed at Chicago on December 7, 1944, whichever is later. In case of opposition to the liquidation plan, the Secretary General was instructed to convene a plenary session of the Commission, preferably at the same time and place as the first assembly of the International Civil Aviation Organization. It was recommended that the Commission be completely liquidated by December 31, 1947.

#### **Foreign Commerce Weekly**

The following articles of interest to readers of the BULLETIN appeared in the November 2 issue of *Foreign Commerce Weekly*, a publication of the Department of Commerce, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each:

"Philippine Tobacco Operations at Low Levels", based on reports from C. A. Boonstra, agricultural attaché, American Embassy, Manila.

"Cuba's Avocado Output—Air Shipments Loom Large", based on a report from Philip M. Davenport, second secretary and vice consul, American Embassy, Habana.

# United States Philippine Training Program

## STATEMENT BY ACTING SECRETARY ACHESON

[Released to the press November 14]

The primary purpose of the Philippine Training Program under the Philippine Rehabilitation Act is to provide technical training by various U.S. Government agencies so that the people of the Philippines may be enabled to rehabilitate them-

selves from the ravages of a war in which they gave so much to hasten final victory. It is my sincere hope that this purpose may be fulfilled and also that closer cooperation and greater understanding may result between the peoples of the Republic of the Philippines and of the United States of America.

## U.S. PARTICIPATION IN PROGRAM

[Released to the press November 14]

In a joint announcement on November 14 by the Government of the United States and the Government of the Republic of the Philippines, it was stated that plans are virtually completed for the initiation of the Philippine Training Program, which, under the provisions of the Philippine Rehabilitation Act passed by the 79th U.S. Congress, provides for the training of 850 citizens of the Republic of the Philippines by eight agencies of the United States Government during the next few years. The act provides that all trainees shall be designated by the President of the Philippines.

The Department of State has been charged with the responsibility for the coordination of the Philippine Training Program and will utilize for this purpose the facilities of the Interdepartmental Committee on Scientific and Cultural Cooperation, which has had seven years' experience with similar programs carried out in cooperation with the American republics.

The eight United States Government agencies authorized to provide the training, and which will work in close cooperation with appropriate agencies of the Philippine Government, are listed below:

Public Roads Administration of the Federal Works Agency

Corps of Engineers of the U.S. Army  
Public Health Service of the Federal Security Agency  
U.S. Maritime Commission  
Civil Aeronautics Administration  
Weather Bureau and  
Coast and Geodetic Survey of the Department of Commerce  
Fish and Wildlife Service of the Department of the Interior

The Commissioner of Public Roads is authorized to provide training for a maximum of 10 engineers from the regularly employed staff of the Philippine Public Works Department in the construction, maintenance, and highway traffic engineering and control necessary for the continued maintenance and for the efficient and safe operation of highway transport facilities.

The Chief of Engineers of the Army is authorized to provide training for a maximum of 10 engineers from among the engineer officers of the Philippine Army and the regularly employed staff of the Philippine Public Works Department, in the construction, improvement, and maintenance of port facilities and other works of improvements on rivers and harbors.

The Public Health Service may at any time prior to January 1, 1948 provide one year of train-

ing in appropriate schools or colleges in the United States to not more than 100 Philippine citizens in public-health methods and administration.

The U.S. Maritime Commission is authorized to train a maximum of 50 Philippine citizens each year prior to July 1, 1950 in the Merchant Marine Cadet Corps and at a United States Merchant Marine Academy. These trainees will be subject to the same rules and regulations as the regularly enrolled cadets of the two schools.

The Civil Aeronautics Administration will provide training for not more than 50 Philippine citizens each year before July 1, 1950 in air-traffic control, aircraft communications, maintenance of air-navigation facilities, and such other airman functions as are deemed necessary for the maintenance and operation of aids to air navigation and other services essential to the orderly and safe operation of air traffic.

The Weather Bureau is authorized to provide training for 50 Philippine citizens in the first year and not to exceed 25 in each succeeding year prior to July 1, 1950. Their training will include meteorological observations, analyses, forecasting, briefing of pilots, and such other meteorological duties as are deemed necessary in maintenance of general weather service, including weather information required for air navigation and the safe operation of air traffic.

The Fish and Wildlife Service will offer one year's training at any time prior to July 1, 1950 to not more than 125 Philippine citizens in methods of deep-sea fishing and in other techniques necessary to the development of fisheries.

The Coast and Geodetic Survey is authorized to provide training for a maximum of 20 Philippine citizens each year prior to July 1, 1950 in order that they may be qualified to take over and continue the survey work interrupted by the war and resumed under provisions of the Philippine Rehabilitation Act.

The necessary preparations are now being made by the two Governments to inaugurate this program with all possible speed. Information on procedures to be followed and specific qualifications for candidates for the various programs will be made available as soon as possible.

## Procedure for Filing War Claims With China

[Released to the press November 13]

In conformity with an instruction from the Central Government, the Shanghai Municipal Government has issued regulations for the investigation of war losses. It requests registration of such losses, suffered at any time between September 18, 1931 and the termination of hostilities with Japan, by public and private organizations "of the friendly powers" operating in China or by their nationals residing in China. American corporations should report their losses to the Bureau of Social Affairs; schools, to the Bureau of Education; and individuals, to the Bureau of Civil Affairs. Forms for reporting such losses are available in Shanghai and should be executed in triplicate. The time to file these registrations has expired, but the Shanghai Municipal Government is continuing to accept them pending the decision of the Executive Yuan on a request for a 90-day extension. Both direct and indirect claims may be filed. The former include death, personal injury, and property loss or damage claims, and the latter refer to losses due to increased expenses or decrease of net business profits. Property should be valued as of the date of the loss and should be computed in Chinese national currency. The original cost should also be stated if such figures are obtainable.

## Radio Broadcast on Displaced Persons

On November 16 George L. Warren, adviser to the Department of State on displaced persons, and Herbert A. Fierst, Special Assistant to the Assistant Secretary of State for occupied areas, discussed with Sterling Fisher, director of the NBC University of the Air, the question "Why Should Americans Worry About Displaced Persons?" This program was one in a series entitled "Our Foreign Policy", presented by NBC. For a complete text of the radio program, see Department of State press release 816 of November 15, 1946.

# Air Transport Agreement With India

## STATEMENT BY ACTING SECRETARY ACHESON

[Released to the press November 15]

This is the first formal agreement which the United States has concluded with the new government of India. It will permit two American airlines to fly into and through India on different routes and also grants reciprocal rights for Indian air service to fly to this country under the general principles of the so-called Bermuda arrangement which the United States concluded

with the United Kingdom in February of this year. I am sure that our new air agreement with India will make a further contribution to the friendly relations which we already enjoy with that country.

I think that is an important agreement, and it is rather significant that the first agreement you have with a new government is on this new development which is air transport.

## SUMMARY OF AGREEMENT<sup>1</sup>

The Department of State of the United States and the External Affairs Department of the Government of India announced on November 14 the conclusion of a bilateral air transport agreement between the United States and India which was signed in New Delhi on November 14, 1946. George R. Merrell, Chargé d'Affaires of the American Embassy at New Delhi, and George A. Brownell, personal representative of the President of the United States, signed on behalf of the United States Government, while those signing for the Government of India were Jawaharlal Nehru, Vice President of the Council and Minister of External Affairs, and Sardar Abdur Rab Nishtar, Minister of Communications.

The agreement consists of 13 articles and an annex, and defines conditions under which scheduled air services of each country are to be operated between the United States and India. The agreement is a development of the "Bermuda" type of air-transport arrangement which, since it was

concluded between the United States and the United Kingdom in February 1946, has formed a pattern for a number of other bilateral arrangements. The United States-Indian agreement conforms with the principles embodied in the Bermuda agreement, but secures to each party a greater measure of control over the application of those principles and the air services to be operated.

Provision is made for the categories of traffic which may be carried, use of airports, control of rates for carriage of traffic between the territory of the two countries, "change of gauge", customs duties, and exchange of information and statistics. The agreement also makes provision for appropriate use of the machinery of the Provisional International Civil Aviation Organization and of the International Air Transport Association, in their respective spheres.

The annex describes specific routes to be operated by airlines of the United States and gives Indian airlines reciprocal rights to operate routes to the United States, to be determined at a later date. Airlines of the United States are accorded

<sup>1</sup> The text of the agreement was issued as Department of State press release S10 of Nov. 14, 1946.

the right to fly via the following routes and to make traffic stops in India at the places named:

Route 1 (to be operated by Pan American World Airways): The United States through Central Europe and the Near East to Karachi, Delhi, and Calcutta; thence to a point in Burma, a point in Siam, a point in Indo-China, and beyond to the United States.

Route 2 (to be operated by Trans World Airline): The United States through Western Europe, North Africa, and the Near East to Bombay and beyond Bombay to: (a) Calcutta, a point in Burma, a point in Indo-China, points in China and Japan, and beyond to the United States over Pacific routes, (b) Ceylon, Singapore, and beyond.

The foregoing routes may be operated in both

directions. Until quarantine facilities are available in Bombay, TWA flights from the west will temporarily enter India at Karachi and will proceed from there to Bombay.

An exchange of notes between representatives of the two Governments at the time the agreement was concluded sets out a collateral understanding concerning principles and arrangements with respect to rates to be charged by airlines for Fifth Freedom traffic to and from territory of the other party.

In announcing conclusion of the bilateral air transport agreement, the two Governments expressed their conviction that the mutual arrangements which it embodies will afford a practical means of implementing and strengthening the friendly relations already existing between them.

## U.S. Reiterates Position on Rumanian Elections

[Released to the press November 15]

*Text of note which the United States Representative in Rumania has been authorized to deliver to the Rumanian Government in reply to its note of November 2 to the United States Government*

I have been instructed to express to you my Government's disappointment with the Rumanian Government's reply of November 2 to its note of October 28 concerning the forthcoming elections in Rumania. My Government deeply regrets that the Rumanian Government did not see fit to consider the substance of its comments on the electoral preparations, but instead sought to avoid a discussion of these observations on the excuse that they did not represent the collective views of the powers signatory to the Moscow Conference Agreement.

My Government has taken note, however, that the Rumanian Government has again expressed an intention to implement fully all the obligations which it assumed following the Moscow Conference Agreement, to the end that the elections may freely express the will and aspirations of the Ru-

manian people, and must therefore assume that the Rumanian Government shares the view expressed in my note of October 28 that all parties represented in these elections should participate on equal terms.

Because of the obligations which my Government assumed at Yalta to assist in bringing about the establishment of a government of free men in Rumania, any suggestion that my recent note was "incompatible with the attributes of a free and sovereign state" is in my Government's view wholly inadmissible. I am constrained to believe that the Rumanian people if they could freely express themselves would regard my Government's interest in this matter as a compliance with its obligations under the Yalta Agreement and a welcome manifestation of general American interest in Rumania's welfare and progress. My Government desires to assure the Rumanian Government that it will not fail in its support for the democratic principles of liberty, freedom and justice by which the United States endeavors to live and upon which it is convinced, the future peace and welfare of the world depend.

## Third Report to Congress on Foreign Surplus Disposal

### LETTER OF TRANSMITTAL

*To the Honorable the President of the Senate  
The Honorable the Speaker of the House of Representatives*

SIRS: In accordance with Section 24 of the Surplus Property Act of 1944 there is transmitted herewith the third report of the Department of State on the disposal of United States surplus property in foreign areas.<sup>1</sup> Incorporated therein is the report required from the Foreign Liquidation Commissioner by Section 202 of the Philippine Rehabilitation Act of 1946 concerning the administration of Title II of that Act.

By September 30, 1946, surplus property with original cost to the United States of approximately \$5,870,000,000 had been sold for about \$1,400,000,000. Of the total realization, approximately \$375,000,000 represented sales for cash dollars, or their equivalent, including the cancellation of United States dollar obligations to foreign governments. Sales made for authorized foreign currencies or commitments to pay such currencies accounted for \$125,000,000, and property valued at \$33,000,000 was exchanged for real estate for use by the United States Government. Funds totaling \$30,000,000 have been specifically earmarked for cultural exchanges under provisions of the Fulbright Act, and the \$100,000,000 transfer authorization provided by the Philippine Rehabilitation Act has been fully utilized. The remainder of the sales has been for dollar credits.

The figures on sales are exclusive of direct transfers to UNRRA made under Section 202 of the UNRRA Participation Appropriation Act. All property disposed of represents about 85 percent of the total made available to the Foreign Liquidation Commissioner for disposal.

To dispose of our overseas surpluses as rapidly as possible, consistent with a reasonable return to the United States, has continued to be the guiding policy during the past quarter. The most outstanding achievements in these three months are undoubtedly the bulk sales to the Governments of China and the Philippines, which should greatly accelerate demobilization at many United States bases in the Pacific. These sales will bring about

a substantial reduction in the operating expenses of the Army and Navy and will make possible the reassignment of substantial numbers of military personnel previously tied down by custodial duties.

The return which has been obtained for overseas surplus, while it necessarily represents only a fraction of the original procurement cost of the property sold, has already far exceeded the total realization hoped for at the beginning of the overseas disposal program. In addition, it has been possible to effect this realization on terms which will result in a substantially greater direct and immediate benefit to the American taxpayer than we had believed possible.

During the last quarter, I have reluctantly accepted the resignation of Mr. Thomas B. McCabe as Foreign Liquidation Commissioner and Special Assistant to the Secretary of State in order that he might return to his private affairs which he had laid down in 1940 for government service. Mr. McCabe discharged the heavy duties and responsibilities of his office with unusual intelligence, industry, and patience.

Despite the substantial accomplishments reflected in the accompanying report, much remains to be done. Many less spectacular tasks, such as the burden of supervising the physical transfers, and accounting for the property sold and its proceeds, are still before us. In addition, there are residual surpluses widely scattered over the entire world. Their dollar volume at original cost is small in comparison with what has already been sold. Nevertheless, these properties must be liquidated with the same concern for the interests of the United States as that displayed in disposals already accomplished. The problems which remain, although smaller, are in some ways even more vexing than those already solved.

The work so capably directed by Mr. McCabe in the past will be carried forward by Major General Donald H. Connolly as Foreign Liquidation Commissioner, who succeeds Mr. McCabe in surplus property disposal matters, and Mr. Chester T. Lane, who will serve as General Connolly's Deputy and as Lend-Lease Administrator.

JAMES F. BYRNES,  
*Secretary of State*

DEPARTMENT OF STATE  
Washington, D.C.  
October 31, 1946

<sup>1</sup> Department of State publication 2655.

## Poland To Consider U.S. Requests for Restitution of Property

[Released to the press November 15]

On October 5, 1946 the Department of State issued a press release regarding the nationalization of firms in Poland.<sup>1</sup> It was there stated that in order to permit the proper protection of American interests the United States was endeavoring to obtain an extension of time to enter protests against nationalization with or without compensation. The American Embassy in Warsaw has reported the receipt of a note from the Polish Foreign Office dated November 13, 1946, the essential portion of which, in translation, reads as follows:

"The Chairman of the Chief Commission for Nationalization Affairs, taking into consideration that not all foreign owners and shareholders have been able, despite a number of facilities granted in connection with the submission of objections regarding lists of establishments subject to nationalization, published in *Monitor Polski*, No. 94 of September 23, 1946, and No. 98 of September 30, 1946, to utilize the determined period, has expressed agreement to consider favorably within legal limits, requests for restitution of the lapsed period, if the requests are submitted by November 30, 1946 to the Chief Commission (Warsaw, Ulica Senacka 3A) or to the Polish Embassy in Washington and after that date exclusively to the above Chief Commission."

The Polish Government requires owners of nationalized firms to have a legal residence or a legal representative in Poland for the receipt of official documents and notices regarding the hearing of their cases, and the American Embassy in Warsaw has just been advised that in nationalization cases in which protests have already been entered the Commission expects to commence hearings in mid-December. It is suggested that owners should prepare and send to their representatives in Poland prior to that time detailed proof in support of their claims.

## Nazi Conspiracy and Aggression, Volume VI

[Released to the press by the War Department November 16]

Volume VI, the fourth of a set of eight volumes entitled *Nazi Conspiracy and Aggression*, was released for publication by the Office of Chief of Counsel for Prosecution of Axis Criminality, the War Department announced on November 16. The set is being published volume by volume by the Government Printing Office.

Volume VI contains English translations of Hitler's will and testament and political will; intercepted Japanese diplomatic messages between Berlin, Rome, and Tokyo just previous to the Japanese attack on Pearl Harbor; the testimony of Erich Kempka, Hitler's chauffeur, regarding the last days of Hitler; and a collection of documents regarding German naval operational orders.

Some of the documents introduced into evidence were portions of interrogations of the defendants or witnesses. Also published is a summary of an interrogation of Hanna Reitsch, well-known German test pilot and aeronautical research expert, giving an eyewitness account of the last days in Hitler's air-raid shelter.

Exhibits such as a shrunken head of a Polish man and tattooed human skin to be used for lampshades were introduced as evidence in the Nürnberg trial. Accompanying certificates regarding the source and authenticity of such exhibits are also published in this volume.

Volume VII containing English translations of more German documents will be released soon, followed by Volumes I and II which will outline the prosecution case and show how these documents in Volumes III through VIII were used partially or wholly in the case. Volume VIII will also include some of the last writings of the defendants in prison, as well as German organizational charts and a descriptive index of all material in the set.

<sup>1</sup> BULLETIN of Oct. 13, 1946, p. 651; see also BULLETIN of Nov. 17, 1946, p. 912.

## Chicago Aviation Agreements

*Sweden, Ireland, Dominican Republic, Nicaragua, Iran*

[Released to the press November 14]

The following action, not previously announced, has been taken on the convention on international civil aviation and the international air-transport agreement formulated at the International Civil Aviation Conference in Chicago on December 7, 1944:

The Chargé d'Affaires ad interim of Sweden deposited with the Department of State on November 7 the Swedish instrument of ratification of the convention.

The Minister of Ireland deposited with the Department of State on October 31 the instrument of ratification of the convention by the Government of Ireland.

The Ambassador of the Dominican Republic informed the Acting Secretary of State by a note dated October 14, as follows:<sup>1</sup>

In conformity with Article V of the International Air Transport Agreement, signed at Chicago on December 7, 1944, and with instructions I have received from my Government, I have the honor to address Your Excellency to inform you that the Government of the Dominican Republic has decided to denounce the International Air Transport Agreement.

In accordance with the said Article V of the Agreement stated, I shall appreciate it if you will have the other Contracting States notified that the International Air Transport Agreement will cease to be effective for the Dominican Republic on October 14, 1947.

The Ambassador of Nicaragua informed the Secretary of State by a note dated October 7, as follows:

In accordance with instructions from my Government and in conformity with the terms of Article V of the International Air Transport Agreement, opened for signature on December 7, 1944 at the International Civil Aviation Conference in Chicago, I have the honor to inform Your Excellency that the Government of Nicaragua desires to denounce this Agreement, and hereby gives notice

<sup>1</sup> Translation.

to the Government of the United States of America of the intention to withdraw. This Agreement will accordingly cease to be in force with respect to the Government of Nicaragua on October 7, 1947.

The Ambassador of Iran signed the transport agreement on August 13.

The following countries have now deposited instruments of ratification of the convention: Poland, April 6, 1945; Turkey, December 20, 1945; Nicaragua, December 28, 1945; Paraguay, January 21, 1946; Dominican Republic, January 25, 1946; Canada, February 13, 1946; China, February 20, 1946; Peru, April 8, 1946; Mexico, June 25, 1946; Brazil, July 8, 1946; United States of America, August 9, 1946; Ireland, October 31, 1946; and Sweden, November 7, 1946.

Argentina adhered to the convention on June 4, 1946.

The transport agreement has now been accepted by 15 countries, of which 3 have given notices of denunciation, namely, the United States, Nicaragua, and the Dominican Republic.

## Department of State Bulletin Subscription Price Increased

The annual subscription price of the DEPARTMENT OF STATE BULLETIN will rise from \$3.50 to \$5.00 on January 1, 1947 owing to a combination of factors which has left the Superintendent of Documents, Government Printing Office, no choice but to take this action. These factors are the constantly expanding size and scope of the BULLETIN, as it attempts to cover the vast range of American international relations, and the rising cost of production. The printing and publishing of government publications are affected as much by the rising prices of materials and other production factors as any other integral part of the national economy.

The need to take this action is regretted both by the Department of State and by the Superintendent of Documents. After thorough study of the problem during recent months the Department of State considers that the increase in price is preferable to the only alternative, which would have been to make drastic reductions in the quantity of original documentation and other material provided readers.

## THE FOREIGN SERVICE

### Officers of the Foreign Service

I Pursuant to Section 201 of the Foreign Service Act of 1946, Mr. Selden Chapin is appointed the Director General of the Foreign Service, effective November 13, 1946.

II Pursuant to Section 202 of the Foreign Service Act of 1946, Mr. Julian F. Harrington is appointed Deputy Director General of the Foreign Service, effective November 13, 1946.

### Board of the Foreign Service

I Effective November 13, 1946, pursuant to Section 211(a) of the Foreign Service Act of 1946, the following persons have been named members of the Board of the Foreign Service:

Donald S. Russell, <i>Chairman</i>	Assistant Secretary of State
Spruille Braden	Assistant Secretary of State
William Benton	Assistant Secretary of State
Selden Chapin	Director General of the Foreign Service
Leslie A. Wheeler	Director of the Office of Foreign Agricultural Relations, Department of Agriculture
Arthur Paul	Assistant to the Secretary of Commerce and Director of the Office of International Trade, Department of Commerce
David A. Morse	Assistant Secretary of Labor

#### 182.7 Board of the Foreign Service: (Effective 11-13-46)

I *Functions.* The Board of the Foreign Service shall make recommendations to the Secretary of State concerning the functions of the Service; the policies and procedures to govern the selection, assignment, rating, and promotion of Foreign Service officers; and the policies and procedures to govern the administration and personnel management of the Service; and shall perform such other duties as are vested in it by the provisions of the Foreign Service Act of 1946, by the terms of any other act, or by direction of the Secretary.

II *Composition.* The Board of the Foreign Service will consist of the Assistant Secretary of State for Administration, who shall be Chairman; two other Assistant Secretaries of State to be designated by the Secretary to serve on the Board; the Director General of the Foreign Service; and one representative each, occupying positions with comparable responsibilities, from the Departments of Agriculture, Commerce, and Labor, designated, respectively, by the heads of such departments. A representative of any other Government department, occupying a position of comparable responsibility, may be designated

by the head of such department to attend meetings of the Board at the request of the Secretary of State, whenever matters affecting the interest of that department are under consideration.

### Appointment of American and Indian Chargés d'Affaires

[Released to the press November 12]

The Governments of India and the United States having agreed to exchange fully accredited diplomatic representatives, Sir Girja Shankar Bajpai, who has been the Agent General for India in the United States since 1941, was received on November 12 by the Acting Secretary of State as Chargé d'Affaires ad interim of the newly established Embassy of India pending the appointment of an Ambassador of India.

George R. Merrell, who is the present American Commissioner to India, will serve as American Chargé d'Affaires ad interim pending the appointment of an American Ambassador.

## THE DEPARTMENT

### Appointment of Officers

William Benton, Assistant Secretary of State for Public Affairs, on November 14 announced the appointment of Charles M. Hulten as his Deputy.

G. Stewart Brown succeeds Mr. Hulten in the position of Deputy Director of the Office of International Information and Cultural Affairs. William R. Tyler has been appointed Assistant Director in Charge of Areas for OIC.

Bromley K. Smith as Information Officer, Office of the Secretary, effective October 31, 1946.

Alice T. Curran as Special Assistant, Office of Assistant Secretary for Public Affairs, effective September 22, 1946.

Hnbert F. Havlik as Chief, Division of Investment and Economic Development, effective September 22, 1946.

Harold R. Spiegel as Chief, Division of Financial Affairs, effective October 22, 1946.

Livingston T. Merchant as Chief, Aviation Division, effective October 28, 1946.

Hugh Borton as Chief, Division of Japanese Affairs, effective November 4, 1946.

J. Carney Howell as Deputy Director, Office of Budget and Finance, effective October 6, 1946.

Franklin A. Holmes as Chief, Division of Budget, effective October 20, 1946.

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*James A. Stillwell*, author of the article on world food problems, is Adviser on Supplies in War Areas, Office of International Trade Policy, Department of State.

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*The Department of State* bulletin

VOL. XV, No. 387 : PUBLICATION 2701

*December 1, 1946*

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, 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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Published with the approval of the  
Director of the Bureau of the Budget

## AMERICAN POLICY IN THE FAR EAST

By G. Bernard Noble

*The future of American international relations will be determined by the manner in which we profit by the lessons of the past. This article attempts to throw light on the course of American diplomacy in the Far East from the end of the 19th century down to Pearl Harbor. Perhaps in this light there may be some indications that will show us the way to the future.*

It has sometimes been said that the United States does not have a foreign policy. The unreadiness of our country at certain times in the past to meet serious crises at their inception might seem to lend some weight to this theory. It would be more nearly correct to say that, until recent times, American foreign policy has frequently been stated in broad general principles not always adapted to the requirements of particular situations. In the past it has often been not so much a question whether we had a policy, but rather whether we have seen clearly the full implications of the policy and were prepared as a people, mentally and materially, to carry it out.

Toward Europe we have had a traditional policy of aloofness, politically, i.e., freedom from the "broils and wars" of Europe, as George Washington put it. But we know that if they were on a continental scale we would never, in fact, have been able to escape those "broils and wars". Recent events indicate that we have now modified our policy toward Europe to a considerable degree and that in the future we shall recognize more clearly

our political interests in the developments in that Continent.

Toward the Western Hemisphere we have had a fairly categorical and clear-cut policy under the name of the Monroe Doctrine. We have never enforced it consistently at all times, and it has taken on varying shades of meaning, from one period to another. But there has never been any doubt that in the last resort, if we felt our safety endangered by foreign political influences in this Hemisphere, we would fight.

In the Far East our policy has grown out of a mixture of commercial and financial interest and Christian charity. Not until recently have considerations of national security entered prominently into account. Our aims in the Far East were, until the aftermath of World War I, primarily those of promoting the interests of peaceful commerce, and later of industry and finance, along with the spreading of the Christian religion.

The turn of the century was an important landmark in our relations with the Far East. During the earlier years our policy had expressed itself

in terms of treaties and ordinary diplomatic procedures to secure equality of trading rights in China and elsewhere. These guaranties provided the most-favored-nation treatment for our nationals in trade and commerce, meaning that whatever treaty concessions other powers gained in tariffs or other commercial regulations would automatically accrue to us. That policy worked very well until the late 1890's, when new imperialistic pressures seemed to threaten a division of China into spheres of interest among the other great powers, with the possible threat that our previous treaties with China might not be sufficient to guarantee the equality of trading rights which we had formerly enjoyed. Our acquisition of the Philippines at that time served somewhat further to intensify our interest in the Far East, though our interest remained predominantly commercial in character.

In 1899, the United States resorted to a new type of diplomacy to secure its objectives. In the famous notes of Secretary John Hay we asked the various great powers<sup>1</sup> involved in the struggle in China to give guaranties that in their respective so-called "spheres of influence or interest", they would not interfere with the equality of rights of nationals of other countries in matters of tariffs, railroad charges, and harbor dues.

The replies to these notes were all somewhat equivocal or conditional, though the British note was the most friendly. Russia was the most evasive of all. Nevertheless the diplomatic language of the replies made it possible for Secretary Hay to announce to the world that the policy of the "Open Door" had been accepted, and that it was the governing policy in China.<sup>2</sup>

Within the next few years the United States found it appropriate to enlarge the scope of its policies designed to bolster the shaky framework of the Chinese territorial and governmental system, since the narrow definition of the Open Door in the 1899 notes seemed inadequate to the exi-

gencies of the time. During the Boxer outbreak in 1900 Secretary Hay, in another circular note to the great powers,<sup>3</sup> stated that it was the policy of the United States to seek a solution which, among other things, would "preserve Chinese territorial and administrative entity". Thus the maintenance of China's territorial and administrative entity became the policy of the United States. At this time the United States stepped slightly out of character in asking the Japanese whether their Government would object if we acquired a coaling station in Samsa Bay, Fukien Province, opposite Japanese-held Formosa. Japan promptly objected, announcing its adherence to the principle of maintaining China's territorial integrity.<sup>4</sup> We were not prepared, against the protest of Japan, to do what others had done without asking anyone's permission.

In 1902 and the years immediately following, we extended the Open Door doctrine by interpreting it to prohibit exclusive mining or railway privileges and commercial monopolies. The exclusive right to make loans to China was also regarded as in conflict with the Open Door principle. These extensions were initially aimed largely at Russia, which was pushing down through Manchuria and threatening China's control over that vast territory. After the Russo-Japanese War, 1904-05, the principles were turned more sharply against Japan, which had taken Russia's place in the southern half of Manchuria as a menace to China's territorial and administrative integrity. In 1909 and 1910 President Taft thought the cause of the Open Door would be furthered by taking the Manchurian railroads out of international politics. He therefore proposed to provide China with the necessary funds to purchase these railroads from Japan and Russia and place them under a neutral international administration until the loans were paid off.<sup>5</sup> President Taft's bold gesture was almost brutally rebuffed by Russia and Japan, and the total effect was to draw these powers more closely together in the defense of their interests in Manchuria and Eastern Inner Mongolia. Using the language of the Open Door and the territorial integrity of China, they entered into treaty engagements on July 4, 1910 and June 25, 1912 which seemed de-

<sup>1</sup> Germany, Great Britain, Russia, Sept. 6, 1899; Japan, Nov. 13; Italy, Nov. 17; and France, Nov. 21 (*Foreign Relations*, 1899, pp. 128-143).

<sup>2</sup> *Ibid.*, p. 142.

<sup>3</sup> *Ibid.*, 1900, p. 299.

<sup>4</sup> Dec. 7-11, 1900, *ibid.*, 1915, pp. 113-115.

<sup>5</sup> Nov. 6 and Dec. 14, 1909, *ibid.*, 1910, pp. 234-235.

signed ultimately to close the door to others and to threaten China's integrity.

The events of the decade following the turn of the century have great significance from the point of view of American policy. With the acquisition of the Philippines we acquired a strategic interest in the Far East which was bound to complicate the strictly commercial interests which we had pursued down to 1898. Our policies regarding the Open Door and the integrity of China involved us in political responsibilities which had far-reaching implications and which tended ultimately to bring us into conflict with the dominant power in the Far East. We sought to achieve our objectives—equal commercial, industrial, and financial opportunity for all, and the preservation of China's territorial and administrative entity by the normal methods of open diplomacy and discussion and consent. Events were to demonstrate that these methods could attain the desired objectives only so long as a "balance of power" existed in the Far Eastern area, that is, so long as no power or combination of powers dominated the scene. When this balance was threatened the American people were not prepared to support a policy with measures stronger than diplomacy.

The actual position of the United States was appropriately characterized by Secretary John Hay in April 1903, when he told President Roosevelt that he, Hay, assumed that "Russia knows as we do that we will not fight over Manchuria, for the simple reason that we cannot."<sup>6</sup> We could not therefore expect that our policy of seeking to limit imperialistic ambitions would continue to be effective if the balance of power were upset and the selfish imperialism of one country gained the upper hand.

World War I and its aftermath provided the occasion for precisely this to happen. It gave Japan an opportunity, largely unhampered, to develop at the expense of China its interests in the Far East. In 1910 Japan had already annexed Korea. It also reached agreements with Russia which strengthened its position in Manchuria and Inner Mongolia. The outbreak of World War I enabled it to take advantage of the alliance with Britain, dating back to 1902, and to come into the war, to oust Germany from the Far East, and to

improve its position in China by taking over German-occupied Tsingtao and extending its influence elsewhere in the Shantung Peninsula. All the European powers, which formerly had been important factors in maintaining the balance of power in the Far East, were engaged in a life-and-death struggle. They therefore suddenly became "negligible quantities", diplomatically speaking, in the Far East. Only the United States remained with its hands more or less free to act, and even this freedom was conditioned by deepening American involvement in the course of events in Europe.

Japanese political and military leaders could scarcely hope for a more propitious opportunity to lay the foundations of empire and to put China in leading strings for the indefinite future. The opportunity was avidly seized upon, as illustrated by the famous Twenty-One Demands presented secretly to China early in 1915. These Demands, if accepted in full, would have made China a virtual protectorate of Japan. Not only did the Japanese demand further economic and political rights in Manchuria and Inner Mongolia, but they also sought exclusive mining and industrial rights in the Yangtze valley and actually demanded supervisory control over Chinese social and political institutions, including not only schools and churches but even the Government itself.

The United States soon learned of the Demands being made on China, and Secretary Bryan, who had pledged that we would not get into a war while he was Secretary of State, dispatched a note to Japan arguing that its demands were inconsistent with its past pronouncements regarding the sovereignty of China. Secretary Bryan's note, however, contained a significant admission and concession in stating that "nevertheless the United States frankly recognizes that territorial contiguity creates special relations between Japan and these districts", referring particularly to Manchuria and Inner Mongolia.<sup>7</sup> In spite of the expressed American views and the resistance of Chinese officials Japan presented an ultimatum to China on May 7, 1915, giving China 48 hours in which to comply. This ultimatum modified some of the more extreme demands, which were left for

<sup>6</sup> Hay to Roosevelt, Apr. 28, 1903 (Tyler Dennett, *John Hay*, New York, 1933, p. 405).

<sup>7</sup> Mar. 13, 1915, *Foreign Relations*, 1915, pp. 105-111.

further discussion. China necessarily complied, and signed away important aspects of her sovereignty in the treaties. The entire episode revealed the disparity between our statements of policy and our performance, so far as the maintenance of the Open Door and the integrity of China were concerned.

This disparity was further illustrated shortly after our entrance into the war in 1917, when we sought the support of Great Britain, France, and Japan in the restoration of China's internal peace and national unity. The fruits of our efforts were finally expressed in the Lansing-Ishii agreement of November 2, 1917 which, although endorsing the principle of maintaining the "territorial sovereignty" of China, nevertheless stated that "territorial propinquity creates special relations between countries," and that "Japan has special interests in China, particularly in the part to which her possessions are contiguous."<sup>8</sup> Secretary Lansing had sought to add another clause to the effect that neither party would "take advantage of present conditions to seek special rights or privileges," but Ishii objected to accepting this clause as a part of the agreement. It was, however, included in a secret protocol.<sup>9</sup>

Before the end of World War I, Japan also secured from Britain, France, Italy, and Russia special recognition of her rights to the former German islands north of the Equator, as well as to Shantung, and gained from Russia further commitments mutually to safeguard China against the domination of any third party having hostile aims against Russia or Japan.

The end of World War I found Japan in a dominant position in China and the Far East. The balance of power on which the success of our policies depended had largely disappeared. The peace settlement in 1919 confirmed Japan's right to Shantung and the islands north of the Equator, and the repercussions of this settlement, combined with Japan's greatly enlarged naval building pro-

gram, began for the first time to cause serious anxiety in this country over the prospect that Japan's program of imperialistic and naval expansion might lead to war with the United States. Our position was a difficult one. We had taken a strong stand with reference to the Open Door and China's territorial and administrative integrity, yet, more than ever, at the end of an exhausting war, we were unwilling to fight for the maintenance of these principles.

In order to maintain our policy and to gain our objectives by measures short of war, it seemed to be worthwhile at least to try the diplomatic approach. The result was the Conference on the Limitation of Armament held in Washington in 1921-22, which dealt not only with naval armaments, but also, and perhaps primarily, with basic political problems in the Far East. In fact, it can be said that naval limitation would not have been possible without the achievement of certain collateral political objectives, such as the abrogation of the Anglo-Japanese Alliance, the signing of the Nine Power treaty, the terms of which safeguarded China's territorial and administrative integrity,<sup>10</sup> and the acceptance of the Four Power treaty relating to insular possessions in the Pacific.<sup>11</sup>

In the Washington treaties the United States sought to avoid war in the Pacific and at the same time to provide a system of international guaranties for China, but the success of the treaty arrangements depended ultimately on the willingness of Japan to respect its pledges. The outstanding fact was that the naval limitation treaty<sup>12</sup> with the 10:10:6 ratio for capital ships, combined with the provisions prohibiting the fortification of insular possessions in the Western Pacific<sup>13</sup> made it impossible for either the United States or Great Britain successfully to challenge Japan in Far Eastern waters. The United States possessed important territorial and strategic holdings in Far Eastern waters (e.g. the Philippines and Guam), but, because of the naval limitation and non-fortification clauses in the treaties we would be unable to defend them against Japanese attack. We were party to vital commitments regarding China, commitments which now were underwritten by the signatures of nine powers, but there were no effective provisions for enforcement, and the United

<sup>8</sup> *Ibid.*, 1917, p. 264.

<sup>9</sup> The agreement was canceled as of Jan. 2, 1923 (*ibid.*, 1922, vol. II, p. 595); Japan withdrew from Shantung in 1922 (*ibid.*, p. 598).

<sup>10</sup> Feb. 6, 1922, *ibid.*, 1922, vol. I, p. 276.

<sup>11</sup> Dec. 13, 1921, *ibid.*, p. 33.

<sup>12</sup> Feb. 6, 1922, *ibid.*, p. 247.

<sup>13</sup> Article XIX, *ibid.*, p. 252.

States, acting alone, would be practically immobilized in the midst of a crisis. It should be added that the previous inroads on China's sovereignty which Japan had made in Manchuria and Inner Mongolia were left intact, though Japan did withdraw from Shantung in 1922.<sup>14</sup> The success of the treaties depended on the possibility of developing cooperative relationships in China, based on good-will and understanding all around.

Unfortunately, the good-will period was short-lived. A number of factors undermined the structure so hopefully erected at Washington. A revived nationalist movement in China emerged in 1923 aiming at freeing that country from the shackles of foreign imperialism, whether of the East or the West. By 1927 this movement gave promise of establishing a basis of real Chinese unity. Even Chang Hsueh-liang, then Manchurian warlord, threw in his lot with the Nanking regime in December 1928.

Bitter outbreaks against foreign interests in various parts of China marked the growth of the nationalist spirit, but it was in Manchuria that the most serious repercussions occurred, for in those Manchurian provinces Soviet interests were involved in the north and Japanese interests were threatened in the south. The developments in China strengthened the hands of the Japanese militarists and imperialists and in 1927 caused the downfall of the Liberal regime in Japan, though Shidehara, the Foreign Minister, was able to return in 1929.

The foundation of the naval armaments agreements were also being undermined. Already competition was developing in auxiliary vessels such as cruisers as large as 10,000 tons, submarines, and torpedo boats which had not been limited by the Washington treaty of 1922. When it was proposed to extend the limitations of the Washington treaty to auxiliary vessels at the 1930 London conference the Japanese authorities refused to accept the 10:10:6 principle for all auxiliary craft and gained ratios slightly better than that for light cruisers and torpedo boats and won parity in submarines.<sup>15</sup> So bitterly did Japanese militarist circles feel about even these mild limitations that when Premier Yuko Hamaguchi took the responsibility for recommending acceptance of the Lon-

don treaty, he was shortly thereafter mortally wounded by an assassin.

The economic debacle beginning in the United States and Europe in 1929, and coming to a climax in 1931 created conditions in Japan which contributed further to fanning the flames of Japanese nationalism and at the same time caused economic and political disturbances in the other great powers which made the occasion a propitious one for Japanese militarists to take control of their country's policy.

The Mukden incident, on the night of September 18-19, 1931, was the supreme test of the effectiveness of the collective system and of American policy in the Far East. The initiative in Manchuria was taken by the Japanese military forces, and the systematic manner in which these authorities proceeded in the extension of the occupation of Manchuria indicated clearly that the action was in pursuance of carefully laid plans. Only drastic and rapid action by the League powers, in cooperation with the United States and involving the threat or the actual use of force, could have arrested the spread of Japanese power. No such action was taken, nor was the United States Government prepared to act alone in defense of treaty rights in the Far East through other than strictly diplomatic channels. When the League appealed to the United States on September 22, immediately after the Mukden incident, asking for our cooperation in sending an on-the-spot fact-finding commission, our Government made certain objections to setting up this commission, stating that we felt (a) that such a move would endanger the position of the "liberal" Government in Tokyo, and (b) that we favored direct negotiations between the parties.<sup>16</sup> Under the circumstances the League felt unable to resort immediately to the device of an investigating committee which had worked successfully in several cases involving smaller powers. As a result, the situation in Manchuria got rapidly out of hand and the military forces of Japan soon gained such control of that territory that only resort to force on a large scale could have checked them.

<sup>14</sup> Treaty of Feb. 4, 1922, *ibid.*, p. 948.

<sup>15</sup> Treaty of Apr. 22, 1930, *ibid.*, 1930, vol. I, p. 107.

<sup>16</sup> *Foreign Relations*, 1931, vol. III, pp. 35-40, 43-49.

In repeated diplomatic notes and conversations in late 1931 and early 1932 the United States called Japan's attention to what were regarded as violations of its treaty obligations, particularly the Nine Power treaty and the Pact of Paris. We also proclaimed the so-called "Stimson doctrine",<sup>17</sup> informing Japanese military leaders that we would not recognize the fruits of their conquest. The League powers followed a somewhat similar diplomatic course, and eventually, with the consent of Japan, appointed the Lytton commission to investigate the situation some months after the conquest had become a *fait accompli*. The failure of the League of Nations and the United States to agree on a vigorous program of action against Japan in the early days of the crisis not only demonstrated the ineffectiveness of the League of Nations as an instrument for maintenance of peace but also emphasized the unwillingness of the United States Government and the American people to take drastic action, involving the threat of force, to defend a system of rights in China which we had come to regard as a vital aspect of American policy. Japanese militarists were not slow to draw the appropriate inferences from our attitude.

The events of the next decade flowed logically from the facts immediately following the Mukden incident. Japanese pretensions mounted rapidly. Nippon's representative in the League Assembly, on February 4, 1933 stated that Japan was responsible for the maintenance of peace and order in the Far East,<sup>18</sup> and some days later he added that Japan would not "allow any party to intervene in the Manchurian problem". From this point there was a logical transition to the doctrine of Japan's "Greater East Asia co-prosperity sphere". Meantime, during the middle 1930's, the collective system was in process of disintegration. The Versailles Treaty gradually gave way before

the pressure of the Axis, the naval limitation treaties collapsed, partly as a result of Japan's refusal to cooperate further with the other naval powers, and the menacing spread of Nazism and Fascism throughout the world added to the general confusion. During this period, also, the United States retreated into isolationism by way of the "neutrality" legislation of 1935 and 1937.

When Japan, in July 1937, moved against Peiping in her drive for the complete control of China, the situation was particularly favorable for the aggressor. Europe was in a state of nervous tension, and the United States was practically immobilized, diplomatically speaking, as was evidenced by the hostile popular reaction to President Roosevelt's so-called "quarantine" speech of October 5, 1937.<sup>19</sup> Secretary Hull, in a comprehensive statement, applied the Good-Neighbor Policy to the Far East, and somewhat later, denounced Japan's conduct as inconsistent with the Nine Power treaty and the Pact of Paris. When China appealed once more to the League on September 12, 1937, a committee of that organization found Japan to be in violation of both these treaties, and the League Assembly called upon the signatories of the Nine Power agreement to meet in conference on the subject.<sup>20</sup> When a conference met at Brussels in November 1937,<sup>21</sup> it did so without the presence or cooperation of Japan, whose Government informed the conference that no interference with the Japanese settlement with China would be tolerated. None of the powers was willing to take any initiative in promoting strong measures against Japan. Although the United States was desirous of ending the conflict, we would not at that time run any risks of involvement in the struggle. The conference accordingly adjourned after reaffirming the principles of the Nine Power pact and expressing the hope that efforts to obtain a settlement would not be abandoned.<sup>22</sup> In fact, the end of the Brussels conference marked the end, until 1941, of the efforts of other nations to stop Japan. Nevertheless the failure of the Brussels conference, followed by the *Panay* incident (December 12, 1937), and the spreading of Japanese conquest along the vital arteries of China, accompanied by the closing of the Open Door, gradually developed a more uncompromising attitude on the

<sup>17</sup> Jan. 7, 1932, *Foreign Relations, Japan, 1931-1941*, vol. I, p. 76.

<sup>18</sup> League of Nations, *Official Journal*, Special Supplement no. 112, 1933, vol. IV, p. 17.

<sup>19</sup> *Foreign Relations, Japan, 1931-1941*, vol. I, p. 379.

<sup>20</sup> See reports adopted Oct. 6, 1937, *ibid.*, pp. 384, 394.

<sup>21</sup> Department of State, *The Conference of Brussels*, Nov. 3-24, 1937 (Washington, Government Printing Office, 1938).

<sup>22</sup> Nov. 15, 1937, *Foreign Relations, Japan, 1931-1941*, vol. I, p. 410.

part of the American public and prepared it for harsher measures.

The Neutrality Act was never applied to the Sino-Japanese conflict: the Administration thought that to cut off military supplies and credits from both parties would be more disadvantageous to China than to Japan; but as Japan drew closer to the Nazi-Fascist combination in Europe, the United States made preparation for stronger measures. In July 1939 notice was given of the abrogation of our 1911 treaty with Japan, which, when the abrogation became effective in January 1940, permitted us to resort to economic penalties without violating any treaty commitments.<sup>23</sup>

At the same time we were making preparations to reduce our liabilities in the Far East; we were preparing to withdraw from the Philippines, having passed the Tydings-McDuffie act in 1934 looking to Philippine independence in 1946; and we refrained from strengthening the fortifications of Guam. We also withdrew our military forces from certain parts of China, in order to avoid untoward incidents in our relations with Japan, in order to emphasize the absence of any desire on our part to interfere in the politics of Asia or Europe, President Roosevelt, at a Hyde Park press conference in July 1940, threw out the suggestion that the principles of the Monroe Doctrine be applied in those other two continents.

The American people were, in fact, engaged in a tremendous inward struggle between isolationism, neutrality, and appeasement, on the one hand, and, on the other, opposing attitudes which insisted that these concepts were outmoded and that policies based on them would definitely lead us into war under far less favorable circumstances than would be the case if we took a stand before all our law-abiding neighbors had succumbed.

The summer of 1941 witnessed the turning of the tide of appeasement of Japan. In July of that year all Japanese credits in the United States were blocked,<sup>24</sup> resulting in cutting off further purchases in this country by Japan of scrap iron, oil, and other items indispensable for war purposes. Already in 1940 several loans had been made to China. In the summer of 1941 we sent a lend-lease mission to China to facilitate shipments of supplies over the Burma Road, and American aviators

were permitted to resign their commissions and to serve under the Chinese flag for the protection of the vital link between China and the outside world. These more vigorous moves by the administration were clearly supported by public opinion.

On August 17, President Roosevelt, on his return from the Atlantic Charter meeting with Prime Minister Churchill, presented to the Japanese Ambassador a note warning that "if the Japanese Government takes any further steps in pursuance of a policy or program of military domination by force or threat of force of neighboring countries, the Government of the United States will be compelled to take immediately any and all steps which it may deem necessary . . . toward insuring the safety and security of the United States."<sup>25</sup> This action left no doubt that our policy was definitely stiffening, though our note expressed the desire to continue discussions if we should have assurances that Japan would not continue its movement of force and conquest.

During August the Japanese Government proposed a meeting between Prime Minister Fumimaro Konoye and President Roosevelt, with a view to discussing matters in issue,<sup>26</sup> but when our Government insisted that there should be some preliminary understandings so that the conference might deal with specific problems rather than with vague generalities, the prospects for the conference rapidly faded.<sup>27</sup> When Tojo replaced Konoye on October 16, the march of events toward war seemed inexorable. Indeed, an important decision had already been made: the Konoye memoirs reveal that on September 6 an Imperial conference decided that if no way should be found by early October for realizing Japanese demands, the Empire should at once prepare for war against the United States, Great Britain, and the Netherlands.

The final interchanges of notes between the two

<sup>23</sup> July 26, 1939, *ibid.*, vol. II, p. 189. For economic measures, see *ibid.*, pp. 201-273.

<sup>24</sup> July 26, 1941, *ibid.*, p. 267.

<sup>25</sup> *Ibid.*, pp. 556-557.

<sup>26</sup> Aug. 28, 1941, *ibid.*, p. 572. The conference had previously been suggested as early as Apr. 9, *ibid.*, p. 402.

<sup>27</sup> *Investigation of the Pearl Harbor Attack* (S. Doc. 244, July 1946, pp. 26-27). See Committee Exhibit 173.

Governments highlighted the basic conflict between the two powers. In its note of November 20, 1941 the Japanese asked the United States, among other things, not to interfere with its efforts "for the restoration of the general peace between Japan and China", and asserted the right to send armed forces to French Indo-China.<sup>28</sup> Secretary Hull's reply, November 26, called on Japan to "withdraw all military, naval, air and police forces from China and from Indo-China".<sup>29</sup> Thus the issue was uncompromisingly drawn. The United States had reached the conclusion that the time had come when it must support the Open Door and the integrity of China, even at the risk of war with Japan, and it took this stand at a time when Japan had taken over the main arteries of China's life, had associated itself with powerful Axis allies, and by treaty had neutralized the Soviet Union. Our decisions were taken under the conviction that we must act while there was still time, with a view to avoiding the alternative

ultimately of facing the world alone and fighting on our own doorstep. The complete upsetting of the balance of power in Europe and the Far East was a prospect which we could not view but with unrelieved alarm. For Japan there was no turning back. Hence the events of December 7, 1941 lay in the logic of its expanding imperial policy.

With the diplomatic developments climaxing in December 1941, an important era in American diplomacy came to an end. During the period under review the American Government and people had not always seen clearly the implications of their policies, however laudable and however sincerely espoused these policies were. The decade from 1931 to 1941 was an invaluable training school in world affairs, which brought ideals into closer touch with realities in international relations and gave our people a clearer view of their country's position and responsibilities. The lessons learned will undoubtedly be applied to the problems that lie ahead.

## **PUBLICATION OF "PAPERS RELATING TO THE FOREIGN RELATIONS OF THE UNITED STATES, 1931", VOLUME I**

**REVIEWED BY VICTOR J. FARRAR AND GUSTAVE A. NUERMBERGER**

The Department of State releases on December 6, 1946, volume I of *Papers Relating to the Foreign Relations of the United States, 1931*. Volume III dealing exclusively with the Far East was released on June 23, 1946.<sup>30</sup> Volume II is in the final stages of printing and will be released at a later date. Of the 829 documents in volume I, 678 concern multilateral negotiations on European and Latin American questions, and 265 the financial crisis in Europe. The remainder deal with relations between the United States and Afghanistan, Albania, Australia, Austria, Bolivia, Brazil, Bulgaria, Canada, and Chile.

Final preparations for the general disarmament

conference scheduled to convene at Geneva, February 1932, were expected to be the major diplomatic effort during 1931. In February 1931 Secretary of State Stimson felt that the chances for a successful conference were slim unless Great Britain, France, Italy, and Germany engaged in direct conversations beforehand to solve the following issues: 1. Franco-Italian naval problem; 2. Franco-German armament question; 3. Armaments of countries bordering on the Soviet Union. Until the four powers prepared thoroughly along those lines, the Secretary of State preferred that the United States play a subordinate role. Nevertheless, he viewed "the question of disarmament as the most important dangerous question in Europe today".

Disarmament, however, was a secondary topic of discussion at meetings of the League of Nations

<sup>28</sup> *Foreign Relations, Japan, 1931-1941*, vol. II, p. 755.

<sup>29</sup> *Ibid.*, pp. 768-770.

<sup>30</sup> *BULLETIN* of June 30, 1946, p. 1129.

Council. "For the first time Ministers for Foreign Affairs themselves are discussing economic matters at Geneva", reported the American Minister to Switzerland. "They are embarrassed and nervous and read their speeches instead of speaking extemporaneously. But they are pushed by an excited public opinion which demands that something be done to relieve these conditions. Perhaps the need for economy will push them into real concessions on Disarmament—if so, the cloud of economic depression will have one silver lining." On May 4, 1931 President Hoover had stressed the relationship between disarmament and economic rehabilitation in his speech at the initial meeting of the Sixth General Congress of the International Chamber of Commerce.

Within the next six weeks, the expanding financial crisis in Europe and its impact upon the depressed economic situation in the United States was to advance the American position from observation to that of action. Immediate factors responsible for this transition were: failure of the Austrian *Credit-Anstalt* and futile efforts by Central Banks to check the panic; rapid withdrawal of foreign credits from Germany; German sentiment to postpone reparation obligations; French use of the crisis to compel abandonment of the proposed customs union between Austria and Germany. This critical situation was especially illuminated in personal letters from Prime Minister Ramsay MacDonald to Secretary of State Stimson, and from Walter E. Edge, American Ambassador to France, to President Hoover. In these circumstances, President Hoover proposed, on June 20, 1931, "the postponement during one year of all payments on intergovernmental debts, reparations and relief debts, both principal and interest, of course, not including obligations of governments held by private parties." In the bipartisan group who pledged approval by Congress in December were Senators James F. Byrnes, Cordell Hull, and Arthur Vandenberg (chapter V, pages 33-34).

The documents relating to President Hoover's moratorium on intergovernmental debts comprise the first of seven chapters concerned with "Efforts of the United States to Prevent Financial Collapse in Europe." Prolonged negotiations to secure French acceptance of the moratorium (chap-

ter II) were concluded with a Basis of Agreement signed on July 6, 1931. Debtors of the United States which accepted the proposal (chapter IV) were: Austria, Belgium, Czechoslovakia, Estonia, Finland, France (conditionally), Germany, Great Britain, Greece, Hungary, Italy, Latvia, Lithuania, Poland, and Rumania. Those countries which had no governmental debt relations with the United States but indicated approval of the moratorium were: Australia, Bulgaria, Canada, India, Japan, New Zealand, Portugal (conditionally), and the Union of South Africa. Also according their approval were Denmark, the Netherlands, Norway, Sweden, and Switzerland. These countries were holders of governmental debts arising from relief assistance after World War I. Yugoslavia was the only government indebted directly to the United States which did not express acceptance of the proposal. Because issues on the agenda would deal with the Hague agreements of January 1930, to which it was not a signatory, the United States had only an observer at the London Conference of Experts (chapter III). According to the Basis of Agreement with France, this group of experts was to reconcile "the material necessities" of that Agreement "with the spirit of President Hoover's proposal."

Parallel with the meeting of the Committee of Experts at London was the Conference of Ministers (July 20-23) at which France, Germany, Great Britain, and the United States were represented, the latter government by Secretary of State Stimson. This conference of responsible ministers was another effort to halt excessive withdrawal of short-term credits from Germany. Although formally initiated by Great Britain, the original suggestion for a conference to deal with the emergency had come from President Hoover. Core of the declaration of the London Conference (July 23) was an American proposal for stabilization of existing credits to Germany, and for creation of a committee to consider conversion of German credits from short- to long-term. By August 19, 1931 a Committee of Ten (Wiggin Committee) set up by the Bank for International Settlements had prepared a report upon procedure for such reconversion. An annex to that report was an agreement between the German Bankers' Committee and Germany's Foreign Bank Creditors

(*Standstill* agreement). Nevertheless, the drain upon Germany's bank reserves continued. On November 19, 1931 Germany applied for a calling of a Special Advisory Committee to reexamine Germany's capacity to pay reparations. The American point of view was that Germany should be given help under the Young Plan. These events preceding the meeting of the Young Plan Advisory Committee, Basel, December 8-23, 1931, are covered in the seventh and final chapter of "Efforts of the United States to Prevent Financial Collapse in Europe".

American concern over further deterioration of economic affairs at home and abroad prompted participation by the United States in a Conference of Wheat Exporting Countries, London, May 18-23, 1931, and its abortive suggestion for an international conference on the stabilization of silver. At the Wheat Conference, irreconcilable points of view upon the primary issue of surpluses emerged: acreage readjustment versus export quotas. The American Delegation favored the former method. To achieve something tangible, the Conference agreed upon establishment of a Conference committee with supervision over a clearing house of information. Instead of being "prepared to take a careful look at the facts", reported the Chairman of the American Delegation, many delegates "had plans, mostly impossible, for making their growers feel that the underlying laws of economy could be circumvented". After Great Britain and Japan had refused to take the initiative for calling of an international conference on silver, the American Minister to Switzerland was instructed "to make discreet inquiries" upon the attitude of the League of Nations. With the outlook for a successful conference none too bright, and a general disarmament conference impending, the League of Nations remained non-committal. Negotiations for the year ended with Mexico disposed to issue invitations but concerned lest Great Britain should decline to accept.

The American approach to the League of Nations for convening of a silver conference almost coincided with a request from that organization to have the United States represented on a special committee to study a pact of economic non-aggression. Sponsor of this proposal was the Soviet Delegation on the Commission of Enquiry for

European Union. The United States was neither a member of the League of Nations nor did it maintain diplomatic relations with the Soviet Union. A divisional memorandum upon the subject stated in part: "The pact itself is in very general terms; and appears to offer nothing sufficiently practical to justify our acceptance of the invitation. Nobody in Geneva seems to have taken it very seriously". A polite refusal of the invitation was sent to Geneva.

In view of their respective relationships to World Wars I and II, there is an interesting juxtaposition of documents in this volume. The first group pertains to attendance of an unofficial American observer at meetings of the Conference of Ambassadors, an organization of the Allied or Associated Powers of World War I. Although Secretary of State Stimson was inclined to have the United States drop "out of even limited participation", an instruction of May 7, 1921 leaving attendance to discretion of the Paris Embassy remained effective. By early spring of 1931, however, the Conference of Ambassadors had apparently ceased to meet. The second set of documents covers official and unofficial American reaction to several phases of tense German-Polish relations with respect to the Polish Corridor, Danzig, and East Prussia. To investigate alleged attacks upon Polish citizens by members of the Nazi Party, the Danzig High Commissioner of the League of Nations had proposed a committee of the American, British, and Belgian Consuls. The American Consul at Danzig was instructed to decline the invitation; to avoid involvement in differences between Polish and Danzig officials. Polish officials, on the other hand, sought vainly to have the Department of State do something about American newspaper articles supporting the revisionist thesis. They feared its adverse effect upon Poland's policy of cooperation with Germany, the major point of which was security of the common boundary.

As the year drew to a close, preparations for the general disarmament conference emerged from a relative obscurity imposed by the intense multilateral diplomacy stemming from the Hoover moratorium proposal. During his visits to Rome, Paris, London, and Berlin in the early summer,

Secretary of State Stimson hardly ever neglected the subject of disarmament, especially that phase of particular interest to the official with whom he was conversing: President Hindenburg; Chancellor Heinrich Brüning; Prime Minister Ramsay MacDonald; Benito Mussolini; or Pierre Laval. Early in the spring, Mr. Stimson had stressed the importance of France and Italy adjusting differences over their respective naval construction programs and subscribing to the London Naval Treaty of 1930. Failure to do so would give him cause to question the usefulness of American participation in the general disarmament conference. No solution resulted from a renewal of Franco-Italian negotiations prior to the conference. This friction hampered formulation of an Armaments Truce, originally proposed by Italy for the duration of the disarmament conference. Eventually, a truce for one year dating from November 1 was accepted by all governments invited to the general disarmament conference. On December 29, 1931 the personnel of the American Delegation, with Charles G. Dawes, American Ambassador to Great Britain, as chairman, was announced. Later, upon appointment of Mr. Dawes to presidency of the Reconstruction Finance Corporation, Secretary of State Stimson became chairman of the Delegation.

During 1931, the Chaco dispute between Bolivia and Paraguay was the main theme of American diplomatic relations with Latin America. By a note of June 25 to Bolivia, the Commission of Neutrals renewed its efforts for settlement of the Chaco dispute by direct negotiations between Bolivia and Paraguay assisted, if necessary, by the Commission of Neutrals. A worsening of relations between the two countries led to a severing of diplomatic relations on July 5. Argentine efforts to adjust this diplomatic incident failed. In reply to a Brazilian suggestion that the United States offer to arbitrate the boundary question, Under Secretary of State William R. Castle indicated American preference that the neutrals continue to handle the issue.

A month after the neutrals' note of June 25, the Bolivian Government replied that it did not "find itself disposed to accept arbitration involving an indeterminate parcel of the national territory" but that it "would be disposed to study immedi-

ately a pact of nonaggression in the Chaco" (p. 749). By September 3, 1931 both Bolivia and Paraguay had accepted an invitation of the Commission of Neutrals to send representatives to Washington for consideration of a pact of nonaggression. Consultations upon a non-aggression pact were delayed from October 1 to November 11 for routine causes.

Of greater concern to the Commission of Neutrals were clashes between Bolivian and Paraguayan troops in the Chaco. To facilitate the task of the representatives when they met in Washington, the neutrals suggested to both Governments that military commanders confine troops to their respective forts. Inter-American interest in this crisis was indicated when, on October 19, 1931, diplomatic representatives of 19 American governments in Washington signed a joint telegram directed to Bolivia and Paraguay. The message urged the disputants to "sign a pact of non-aggression as they have already contemplated doing, and that they continue their efforts to arrive at a definitive solution of the Chaco question which is so much occupying the nations of the American continent". The inaugural meeting to discuss a non-aggression pact was held at the Pan American Union on November 11. Owing to failure of Bolivian delegates to arrive at that date, November 24 was selected for another meeting of the Commission of Neutrals and delegates of Bolivia and Paraguay.

The significance of correspondence covering boundary disputes between the Dominican Republic and Haiti, and between Honduras and Nicaragua lies in the expressed desire of the United States to avoid participation. In the first case, the American Government regretted that a certain note was interpreted as a "proffer of good offices". Machinery provided for under terms of the Dominican-Haitian frontier treaty of January 21, 1929 was regarded as adequate for a satisfactory settlement. The United States likewise kept aloof from ratification proceedings upon the protocol of January 21, 1931 to settle the Honduras-Nicaragua dispute.

This volume of *Foreign Relations, 1931* includes documents upon treaties and agreements.

(Continued on page 998)

## THE UNITED NATIONS

### Conference on International Traffic on Danube<sup>1</sup>

Secretary-General Trygve Lie has received answers from all the seven governments queried in his telegram of 8 October as to whether they were willing to participate in a conference on international traffic on the Danube, recommended by the Economic and Social Council in a resolution of 3 October, 1946.<sup>2</sup>

Three of the answers were in the affirmative (U.K., U.S.A., and Greece), one conditionally so (France), and three in the negative (U.S.S.R., Czechoslovakia, and Yugoslavia). The Secretary-General is forwarding all these answers to the delegations of the seven interested governments and in a telegram yesterday asked them whether, in the circumstances, they desire the convocation

<sup>1</sup> Released to the press by the United Nations Oct. 31, 1946.

<sup>2</sup> The text of Mr. Lie's telegram is as follows:

Have honour inform you that Economic Social Council adopted 3 October following text resolution submitted by United States Delegation regarding international traffic on Danube River.

In view of the critical limitations of shipping facilities on the Danube River which are adversely affecting the economic recovery of Southeastern Europe the Economic and Social Council recommends that a conference of representatives from all interested states be arranged under the auspices of the United Nations to meet in Vienna not later than 1 November for the purpose of resolving the basic problems now obstructing the resumption of international Danube traffic and establishing provisional operating and navigation regulations. Interested states are the riparian states, states in military occupation of riparian zones and any states whose nationals can demonstrate clear title to Danube vessels which are now located on or have operated prior to the war in international Danube traffic. As a basis for discussion in this projected conference of representatives from interested states the Economic and Social Council submits the following recommendations:

of the conference. The text of the Secretary-General's telegram to the delegations of the United Kingdom, United States, and Greece, is as follows:

Kindly bring following attention your Government: Referring my telegram 8 October concerning international traffic on Danube River have honour inform you that consultation interested members United Nations gave following result. Governments Greece United Kingdom and United States agree calling conference and express willingness participate therein. Governments Czechoslovakia Union Soviet Socialist Republics and Yugoslavia do not agree calling conference and are not willing participate therein. French Government expresses interest resuming free naviga-

(A) That commercial traffic be resumed on the Danube from Regens to the Black Sea;

(B) That security from seizure be guaranteed to all ships, their crews and cargoes;

(C) That all Danube vessels except German be allowed to sail under their own national flag;

(D) That adequate operating agreements be arranged between the interested states as well as the national and private shipping companies under general supervision of the occupying powers to permit the maximum use of the limited shipping facilities;

(E) That information be exchanged freely on condition of navigation and that responsibility be undertaken for river maintenance over the entire length of the river.

According supplementary rule K of amended provisional rules procedure General Assembly requiring prior consultation members United Nations before calling international conference by Economic Social Council I have honour request your Government to inform me if it agrees meeting Danube Conference and if will participate therein.

TRYGVE LIE, *Secretary-General*

tion on Danube and ready participate conference but on condition riparian states also participate therein. In light above answers have honour request your Government inform me if convocation conference desired.

TRYGVE LIE, *Secretary-General*

The above text was telegraphed to the delegations of the U.S.S.R., Czechoslovakia, Yugoslavia, and France with the following introduction:

“Kindly bring following attention your Government: Referring my telegram 8 October concerning international traffic on Danube River have honour communicate to you for your information text telegram sent by me today to Governments Greece United Kingdom and United States”.

The full text of the replies received from the

seven governments in response to Mr. Lie's original inquiry will be made public shortly.

(Note: During the last session of the Economic and Social Council, Yugoslavia and Czechoslovakia invoked the Council's aid to regain possession of the Danubian vessels, the property of these two countries and which are now in the United States occupied zone of Germany and Austria.

The Council, however, rejected the Czechoslovak and Yugoslav resolutions and adopted the United States resolution which requested the Secretary-General of the United Nations to consult with the interested states—the riparian states, states in military occupation of riparian states, and any states whose nationals can demonstrate clear title to Danube vessels—with a view to calling an international conference on Danube traffic before November 1st 1946.)

## United States Position on the Veto Question

### STATEMENT BY U.S. DELEGATE<sup>1</sup>

The Committee is considering a number of resolutions relating to the “veto”. It is a term that has obtained wide usage. The press constantly refers to it—it is a short and suggestive word.

The so-called “veto question” arises from the construction of the voting formula in the Charter of the United Nations. In effect, the veto does reside in the permanent members of the Security Council. However, if we consider the Yalta formula—the formula proposed by President Roosevelt at Yalta, accepted there by Prime Minister Churchill and Marshal Stalin, and incorporated into the Charter as article 27—we must not think of it in the narrow sense of a veto. We must not ignore the history and purpose of that formula.

Let us look at paragraph 3 of that article—the paragraph that causes much of the controversy. Let us examine the rule of unanimity.

Those of you who were at San Francisco will recall how the importance of the unanimity of the

great powers in preserving peace influenced our action in adopting the Charter and approving article 27. We were convinced that the great powers alone possessed the strength and military and naval resources necessary to crush aggression and to enforce peace. World War II demonstrated that fact. We were further persuaded that the powers who in unity had won the war could through unity and a common purpose win the peace. We also believed that division between the great powers over intervention or the use of force might result in war instead of peace.

Can you imagine what would happen if four of the smaller states and three of the great powers decided to use force against a state—perhaps against a great power—over the determined opposition of two permanent members of the Council?

<sup>1</sup>Made in Committee 1 (Political and Security) of the General Assembly on Nov. 15, 1946 by Senator Tom Connally and released to the press by the United Nations on the same date. Senator Connally is U.S. Delegate to the General Assembly and a member of Committee 1.

That would mean war—not the preservation of peace.

The unanimity of the great powers on important matters is, in the opinion of the United States, essential for the successful functioning of the Security Council and for the future of the United Nations. But—the words we stress are *successful functioning*. The requirement that the permanent members must concur in a decision must not be made use of by any of them to frustrate that functioning. On the contrary, the United States believes that the permanent members of the Security Council have a special responsibility to make the Organization work, to see that the spirit and intent of the Yalta formula are fulfilled. They must remember and live up to what they said at San Francisco in the Four-Power declaration to which they all subscribed:

“It must not be assumed . . . that the permanent members . . . would use their ‘veto’ power wilfully to obstruct the operation of the Council.”

Mr. President, I was a United States Delegate at San Francisco and in the committee took part in the debate on the voting formula. Among other things I said:

“It is our theory that they (the permanent members) will be sensible of that sense of responsibility and that they will discharge the duties of their office not as representatives of their governments, not as representatives of their own ambitions or their own interests, but as representatives of the whole Organization in behalf of world peace and in behalf of world security. Any other course, Mr. President, would over a period of time cause the disintegration of this Organization. Fifty nations would not permit the arbitrary or wilful use of the powers of the Security Council when it was adverse to the interests of all of the Organization or of world peace.”

I regret to say that developments have not entirely fulfilled my hopes. But I still maintain that “arbitrary or wilful use” would over a period of time cause the disintegration of the Organization. The life of the Charter depends upon the lofty and unselfish discharge of their duties by the members of the Security Council.

Senator Austin in his address in the Assembly

made reference to the general principles which should control the Security Council.

The permanent members of the Security Council are members of the United Nations before they are members of the Council. They are obligated to perform their duties to the Organization just as are all other members. Membership on the Council does not exempt them from any duties or responsibilities. Membership on the Security Council carries no title of nobility nor privilege nor preference. The permanent members of the Security Council have a heavier responsibility for the successful operation of the United Nations than those of any other organ or agency. The members of the Security Council are trustees for all the members of the United Nations. The Charter lays upon them “primary responsibility for the maintenance of international peace and security” and the members of the United Nations “agree that in carrying out its duties under this responsibility the Security Council acts on their behalf”. Note the solemn statement—“under this responsibility the Security Council acts on their behalf”. The responsibility of the five permanent members of the Security Council is momentous. It is tremendous. It may have the effect of shaking the very foundations of the earth. How can any member of the Security Council consider lightly or selfishly that lofty responsibility?

I shall say little about the record of the Council to date. I do wish to point out, however, that the picture is not all black. The Council’s record has not been one of unrelieved frustration. Remember its successes when you are weighing the worth of the Yalta formula. Place against the exercise of the veto such items as the agreement of Britain and France to evacuate their troops from Syria and the Lebanon, and the withdrawal of Soviet forces from Iran.

So much for the background and the record of the Security Council. The question remains—what of the future? What can we do now to insure the success of the Security Council?

First, I want to say a few words about what should *not* be done. The United Nations is barely ten months old. During the short period of its existence some things have gone well and others have gone badly. There may be parts of the Char-

ter that will prove absolutely unworkable and have to be changed ultimately. Article 27 may be one of those parts, but we do not know that now and we shall not know it for some time to come. During the first hundred years after the adoption of the Constitution of the United States and the Bill of Rights, it was amended only five times. But all that time it was growing and developing and was meeting the needs of an expanding nation. The United Nations Charter also has in it the potentialities of growth and development. The way to find out what these potentialities are is to test it, to build slowly on the foundation that we so successfully laid at San Francisco. Let us not, therefore, in haste attempt to amend the Charter. Let us profit by experience and a better understanding of the functions and obligations, powers and purposes set forth in the Charter.

On the other hand, there are certain important steps that we may take, where already we have that wide area of agreement that is so necessary for their success. It is my conviction that many of the difficulties encountered in the Security Council during the first year of its operation have been due to lack of certainty and differences of opinion regarding the practical application of the voting formula adopted at San Francisco.

Let me be more specific. You will recall that when the Charter prescribed two types of votes in the Security Council, it was intended that there should be little confusion as to when the Council should use one method and when it should use the other. I have before me the Four-Power statement made at San Francisco on June 7, 1945. That statement listed quite a number of instances where the Council's decisions would be procedural and where the veto would not apply. The statement went on to predict that "it is unlikely that there will arise in the future any matters of great importance on which a decision will have to be made as to whether a procedural vote will apply". That prediction fell far short of its mark. Many matters have arisen where there had been real difference of opinion as to which type of vote to use. The Security Council should proceed to settle the doubts. That is part of the unfinished business from San Francisco.

The Security Council should put in its rules of procedure as soon as possible as complete a list of

procedural decisions as the Council can agree upon. This would mean that in the future, whenever a question arises as to the kind of vote that is required, the Council could in most cases solve the problem by a simple reference to the list.

There is still another matter where I believe the stage has been set for progress. There is a provision in paragraph three of article 27 of the Charter that a party to a dispute shall abstain from voting in the Security Council in decisions relating to chapter VI of the Charter—Pacific Settlement. It is perfectly clear that the purpose of this was to prevent the party from being a judge in its own cause, to establish in the Charter a principle of justice which is elementary in every legal system. We would not permit a party to a lawsuit to sit as a member of the jury.

President Roosevelt firmly believed that this principle constituted a very great contribution to the development of international organization. Its acceptance first at Yalta, and then at San Francisco, is a landmark. However, because of some technicalities which I do not intend to explore, doubts have been suggested as to whether it can be effectively applied to the operations of the Security Council.

My own view is that the requirement that a party to a dispute shall abstain from voting constitutes an exception to the general rule set forth in the preceding part of article 27. It is the considered opinion of the United States Delegation that article 27 lays down clearly and without equivocation the fundamental principle that in the field of peaceful settlement under the Charter no state shall be a judge in its own cause. No legal technicalities or mental excursions into the stratosphere should be permitted to becloud this important concept.

I was much interested, Mr. President, in what the distinguished Delegates of El Salvador and New Zealand had to say about the possibility of a permanent member abstaining from voting on a matter without vetoing it. This problem deserves very careful consideration. It would be particularly helpful with respect to the peaceful settlement of disputes if a way could be found to permit a permanent member which does not want to block action by the Council to abstain from voting.

As it stands today a great power may find itself

in the utterly ridiculous situation of voting for a measure which it does not entirely approve or else blocking the wheels of justice by the unwilling use of its veto. There should be some middle ground if the machinery of peaceful settlement is to function smoothly.

If progress can be made along these lines in the Security Council, it will not accomplish everything that some would like to see accomplished. But it will help. It will ease the task of the Security Council in arriving at satisfactory decisions relating to the pacific settlement of disputes. It will eliminate many of the arguments that have at times frustrated the work of the Council. The operations of the Council will move forward more smoothly.

I must remind those who criticize the United Nations that it takes more than mere machinery to bring world peace. In my opinion the machinery that we have is in the main adequate. But if the raw material that goes into the machine is bitterness and friction among the member states we cannot expect harmony and unity to result.

How can we in the General Assembly best contribute to bringing about the progress we so earnestly desire with respect to the work of the Security Council? I think that a full discussion of this problem in the General Assembly is bound to be helpful. The General Assembly may wish to go so far as to make recommendations to the Security Council. That also would be helpful. However, I think that the discussions and the recommendations should be focused on the general objectives that we hope will be attained. Clearly the General Assembly cannot assume to dictate technical details. The Security Council itself must determine the techniques, the methods for accomplishing these objectives. If the best way to accomplish the objectives which we may recommend is for the Security Council to adopt rules of procedure, then clearly it is only the Security Council that can perform the task.

Any resolution that the General Assembly may see fit to adopt should concern itself only with the broad outlines of what we hope to achieve. Anything that we recommend should be realistic, should be attainable, should be in the direction of substantial and certain progress.

With this in mind, I think it is appropriate to

indicate specifically the United States attitude towards the proposals advanced thus far in the General Assembly.

The United States opposes any steps in the direction of amending the Charter. It is well known that amendment of the Charter is impossible at this time. The resolution proposed by Australia is moderate in that it deals with general objectives. We believe however that the specific recommendation that the permanent members *shall* refrain from exercising their veto power except in the cases under chapter VII of the Charter should first be considered by the permanent members of the Council.

Mr. Chairman, I would like to review briefly the position of the United States.

1. We regard the principle of unanimity as of the highest importance for the success of the United Nations.

2. We believe that the responsibility imposed upon the great powers by the Charter requires them to exert every effort to reach agreement on important issues before the Security Council.

3. We reaffirm the position we took at San Francisco that the veto should be used only in the very rare and exceptional cases.

4. We insist that the use of the veto cannot relieve any state from its fundamental obligations under the Charter.

5. We do not favor amendment of the Charter at this time, although we hope that full agreement, including of course that of the five permanent members, may make it possible in the future to modify the practice of great-power unanimity as it applies to the peaceful settlement of disputes under Chapter VI.

6. We believe that the voting formula should be clarified in the light of experience and practical need. The Security Council should embark upon this task at the earliest practicable time.

7. In particular, we believe that the Security Council should agree upon as complete a list as possible of types of decisions where the veto does not apply.

8. We believe that article 27 makes it clear that in the field of peaceful settlement no state should be a judge in its own cause.

9. The problem of great-power abstention should

be carefully considered, particularly with respect to the peaceful settlement of disputes.

Mr. Chairman, digressing a moment from the written text, I want to say that while we are opposed at this time to the amendment of the Charter, we are in favor of making the Charter work. Mr. Chairman, let me issue this warning to all the members of the United Nations and to the Security Council itself. If this Charter does not work, if its functions are not properly performed, this Organization may ultimately go down in ruins. The League of Nations perished; this Organization must not perish. It must go on; it must succeed. There is beyond these doors, there is out on the far-flung reaches of the earth, a force greater than the Security Council, a force greater than the Assembly, and that is the crystalized opinion of the peoples of the world. If we cannot attain our objectives through the United Nations, that public opinion will seek another remedy.

Mr. Chairman, I would, therefore, warn all who are in authority in this Organization to stop, look, listen, and consider their high duties and responsibilities with a view to making this Organization work.

In conclusion, let me stress that members of the Security Council in good conscience do not represent in the Security Council their own governments. They represent the entire membership of the United Nations. Their right to vote is not a personal possession. They have no right to cast a vote in any narrow or nationalistic or selfish interest. At the bar of history they are responsible for administering their high functions in the interest of international peace and in the interest of the entire United Nations Organization. Any member of the Security Council who fails to perform these high functions has no proper conception of his duties and responsibilities. Those duties and responsibilities require that they be performed in accordance with the principles and purposes of the Charter and in a manner to attain its lofty objectives. Let there be no embezzlement of power by the Security Council or by any member. Standing at the highest point of the world's history, the Security Council has a magnificent opportunity to set before all living men and the generations that

come after us a commanding example of high duty nobly performed. Humankind will pour out its gratitude and will bless them if they will preserve the peace of the world. May God endow it and its members with a clear vision of their duties and with a high courage to perform every obligation to the United Nations and to the world!

## **U.S. Position on Establishment of Trusteeship System**

### **STATEMENT BY MEMBER OF THE U.S. DELEGATION<sup>1</sup>**

The United States Delegation, represented here by Congressman Bloom and myself, will not at this time comment in detail upon the various substantive matters before this committee. We will primarily deal now with the matter which we deem to be most urgent, that is, the procedure which will enable the Trusteeship Council to be established at this session. However, before passing to the question of procedure, we should like to express, on behalf of the United States, appreciation of the steps which have already been taken to implement the provisions of chapter XI and chapters XII and XIII of the Charter.

The Government of the United States takes a deep interest in chapter XI of the Charter—"The Declaration Regarding Non-Self-Governing Territories". At London the United States, together with other members of this committee, took the view that chapter XI of the Charter should receive prompt implementation. This view was incorporated in the resolution adopted by the General Assembly which requested that the information with regard to non-self-governing territories required by article 73 (e) of the Charter should be transmitted to the Secretary-General so that he might summarize it in his reports on the work of the organization. The United States adopted a broad view of its responsibilities under chapter XI and forwarded to the Secretary-General during August of this year information relat-

<sup>1</sup> Made in Committee IV (Trusteeship) of the General Assembly on Nov. 7, 1946 by John Foster Dulles and released to the press by the United Nations on the same date. Mr. Dulles is Alternate U. S. Delegate to the General Assembly.

ing to all the non-self-governing territories for which it is administratively responsible. The United States has noted the steps taken by other members of the United Nations in this regard and is confident that the beginning now being made will grow into a process which will greatly aid the non-self-governing peoples of the world.

With regard to the trusteeship system provided for in chapters XII and XIII of the Charter, the United States Delegation notes with satisfaction the fulfilment by mandatory powers of their declarations of intention, made at London, to submit trusteeship proposals. The United States for its part is prepared similarly to contribute to the establishment and extension of the trusteeship system. Yesterday the President of the United States made the following statement which he authorized us to communicate to the General Assembly:

“The United States is prepared to place under trusteeship with the United States as the administering authority, the Japanese Mandated Islands and any Japanese Islands for which it assumes responsibilities as a result of the second World War. In so far as the Japanese Mandated Islands are concerned this government is transmitting for information to the other members of the Security Council and to New Zealand and the Philippines a draft of a strategic area trusteeship agreement which sets forth the terms upon which this government is prepared to place those islands under trusteeship. At an early date we plan to submit this draft agreement formally to the Security Council for its approval.”

Five mandatory powers have now laid before the General Assembly draft terms of trusteeship for eight mandated territories. As regards these draft terms, the United States believes that most of them, in their present revised form, are generally satisfactory and that they offer a reasonable basis for implementing the trusteeship system. The United States is hopeful, therefore, that the General Assembly will find it possible to set up the Trusteeship Council at this session. However, that will not happen easily.

In this trusteeship matter we can readily fall into a morass which will so entangle us that the trusteeship provisions of the Charter will never

become operative. Let us frankly admit that the Charter provisions are awkward and ambiguous. They could give rise to prolonged controversy and lead to an impasse.

The Charter formula for constituting the Trusteeship Council is such that before there can be a Trusteeship Council, trusteeship agreements must have been concluded with at least three members of the United Nations. How are such agreements to be reached?

The Charter says: “The terms of trusteeship . . . shall be agreed upon by the states directly concerned, including the mandatory power in the case of territories held under mandate . . . and shall be approved as provided for in Articles 83 and 85”. Articles 83 and 85 call for approval by the General Assembly, except that in the case of strategic areas the approval shall be by the Security Council.

At the moment there are before us eight proposed trusteeship agreements, all in relation to mandated territory which is not designated as strategic. Procedure in relation to these agreements is certain in at least two respects: First, the terms of trusteeship must be agreed to by the mandatory power; secondly, the terms of the trusteeship must be approved by the General Assembly, presumably by a two-thirds vote. Whether any further procedural steps are required, and if so what, is a matter of uncertainty.

In the case of the mandated territories before us, are there states other than the mandatory whose agreement must be obtained? If so, how are these states to be determined and how should their agreement be evidenced?

It can be contended that in the situations before us only the mandatory power is “directly concerned” within the meaning of the Charter. It is true that the Charter uses the plural “states”. But this cannot mean that in every case of trusteeship more than one state must agree as to the terms of trusteeship. If a nation which is sole sovereign over certain colonial territory is willing to put that territory under trusteeship, on conditions agreeable to two-thirds of the General Assembly, surely it is entitled to do so. Article 77 (c) speaks of “territories voluntarily placed under the sys-

tem by states responsible for their administration". Clearly, in these cases the sovereign is alone the state "directly concerned". Therefore, the fact that the Charter uses the plural does not require us, in every case, to find several states whose preliminary agreement must be obtained. The word "states" obviously includes the singular as well as the plural and the Charter should be interpreted as though it read "the state or states directly concerned". Therefore, it can be powerfully argued that where the territory proposed to be placed under trusteeship is administered by a single sovereign, its agreement is the only agreement required as a prelude to Assembly action.

The American Delegation has concluded not only that such interpretation of the Charter is legally proper but that it is the fairest and most workable interpretation that can be given to the Charter.

Every other interpretation suggested will involve us in difficulties and delays. For example, it could be contended that the phrase "directly concerned" looks to legal title and that where more than one state shares the title it is the agreement of those states which must be obtained.

This would mean, in the case of the former German colonies, that the "states directly concerned" would be the "Principal Allied and Associated Powers" in whose favor Germany, under article 119 of the Treaty of Versailles, renounced all her rights and titles over her overseas possessions. These five Principal Allied and Associated Powers were: Great Britain, France, the United States, Japan, and Italy. The rights of Japan and Italy having been extinguished, Great Britain, France, and the United States could claim that, as the three remaining effective Principal Allied and Associated Powers, they and they alone should be considered the "states directly concerned" because of their joint title. Probably that claim would give rise to argument and delay.

It could be argued that the Charter test of "direct concern" is not legal but practical. Such an interpretation would open a vast field for speculation. Are the five principal powers under the United Nations Charter "states directly concerned" either because they are permanent members of the Security Council or, prospectively, permanent

members of the Trusteeship Council? Can states claim to be "states directly concerned" because of geographic propinquity or because of economic or cultural or ethnic ties or perhaps merely because they take an interest in the subject? If so, what is the measuring rod? Is the geographic propinquity only that reflected by common borders, or is it enough to be within 100 miles or 1,000 miles of the trust territory? Or even 2,500 miles, as one delegation has already suggested? How much trade is necessary to justify concern on economic grounds? How close must be the ethnic and cultural ties? Such questions do not lend themselves to any clear answer. If we assume that they must all be answered before the trusteeship system is established, then there is great risk that the trusteeship system will never be established.

In the light of these considerations the United States Delegation urges that the Assembly, and this committee on its behalf, should not become involved in all these questions. We prefer a practical procedure which, in harmony with the letter and spirit of the Charter, will, as quickly as possible, permit the establishment of the trusteeship system and the giving to the inhabitants of the trust territories the benefit of that system. Concretely, we propose:

1. That a small subcommittee of this committee should be established to consider the draft trusteeship agreements before us and to negotiate on our behalf in relation to them;

2. That all states which are interested be given the opportunity promptly to submit to this subcommittee and to the mandatory power involved their suggestions regarding these proposed trusteeship agreements;

3. That after hearing such suggestions and after consultation with the subcommittee, the mandatory power concerned shall promptly advise the subcommittee as to the acceptability of those suggestions;

4. That the agreements reflecting any such modifications shall then be considered by this committee and referred by it to the General Assembly with the recommendation of this committee, in each case, as to approval or disapproval.

Under this procedure every state which is inter-

ested, whether or not technically a state "directly concerned", whether it be large or small, whether it be near or far, will have an equal opportunity to present its views. All would, however, without prejudice to any rights they may possess, now forego formal classification as being, or not being, states "directly concerned" and would forego formal signature of the preliminary agreement, accepting the verdict of a two-thirds vote of the Assembly.

If any state other than the mandatory power is a state "directly concerned", the United States has a strong, and we believe unassailable, case to be considered to be such a state. We have an interest in the title conferred under the treaties of Versailles and of Berlin. We are a permanent member of the Security Council and will be a permanent member of the Trusteeship Council when established. We have important economic interests in all the mandated areas, and in the case of the Australian and New Zealand mandates, and perhaps others, we have a concern based upon geographic and other considerations.

The United States, however, is willing to join with others in accepting a system of equality and not asserting a special position in relation to the agreements now before us. We do not want interminable and inconclusive discussion. Neither do we want an interpretation of "states directly concerned" which might import the veto system into the work of the Assembly. Accordingly, the United States, without prejudice to its legal rights and on the assumption that others will do the same, is prepared, in relation to the trusteeship agreements now before us, to agree to them in the form in which, after an exchange of views, they are submitted by the administering authority, recommended by this committee and approved by two thirds of the Assembly.

There can be, and doubtless will be, many earnest opinions with respect to what should be the terms of trusteeship agreements. No doubt many would like a special position for impressing their views. But let us remember that such a special position may be of illusory value. For under the Charter there can be no trusteeship at all without

the agreement of the mandatory power. Let us also remember that if there is trustee at all, that obligatorily provides the inhabitants of the trust territories with the benefits of the Charter. By it the administering authorities are obligated, among other things, "to promote the political, economic, social, and educational advancement of the inhabitants of the trust territories, and their progressive development towards self-government or independence . . . ." Every administering authority is by the Charter required "to encourage respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language or religion . . . ."

No doubt all of us have our ideas as to how these objectives should be attained, and all of us would like to see our ideas spelled out in the trusteeship agreements. The United States Delegation, for its part, believes that the agreements now before us are susceptible of improvement. We hope that the mandatory powers will accept changes which might bring them into accord with the views of such states as may reasonably claim an interest in the subject. But the essential is to establish the Trusteeship Council and to make operative those basic obligations which are set forth in the Charter. We can proceed without excessive insistence upon the expression of particular views, knowing that the Charter itself deals with the essentials and that no one can lawfully subtract one jot or tittle from chapter XII of the Charter which will constitute the overriding constitution for the peoples of all the trust territories.

We believe that history will not judge kindly any who take a position which would in fact block the establishment of the trusteeship system and its grant to dependent peoples of the right to eventual self-government or independence. Let us have confidence in article XII of the Charter as a constitution for trustee areas; let us trust the judgment of two thirds of the Assembly as to how that Charter should be implemented; let us assume the good faith of our fellow members who now propose trusteeship. Under these conditions this Assembly can accomplish one of its most urgent and most difficult tasks—that is to establish the trusteeship system now.

# First General Conference of UNESCO

BY ASSISTANT SECRETARY BENTON<sup>1</sup>

MR. CHAIRMAN: Twelve months have passed since the constitution of UNESCO was drawn up—twelve troubled and war-weary months that have demonstrated once more the urgent need for understanding among the peoples of the world. We here assembled have now reached the solemn but hopeful day on which the constitution of UNESCO is to be made a living force by a program designed to advance that understanding. To the development of that program the Preparatory Commission, under the distinguished leadership of Dr. Julian Huxley, has contributed many months of devoted and fruitful effort.

As Chairman of the United States Delegation to this Conference I can assure you that, although UNESCO is as yet but little understood anywhere in the world, its hopes and goals have the complete and the fervent support of my country and its people.

The United States Congress, in formally approving the membership of my country in UNESCO, created a United States National Commission in accordance with the recommendation contained in article VII of UNESCO's constitution. This Commission is a body unique in American history. It unites in one assembly spokesmen of the arts, sciences, and learned professions; of the educational system at all levels; of radio, motion pictures, and the press; of the educational interests of labor and agriculture, and of religious bodies; and of many other American groups that are now working for the establishment of peace.

In September the United States Commission met for four days of spirited discussion to advise the United States Delegation to this conference. My nine associates, appointed by President Truman to our Delegation here, are all of them members of the United States Commission for UNESCO.

Mr. Chairman, this is not a period of history that encourages pleasant dreams. Peace will not be established by wishful words, no matter how

eloquent the expression or how noble the sentiments. If UNESCO is to contribute to the peace of the world, it must do so through its program of education and of scientific and cultural exchanges. This program must be soundly conceived, boldly planned, and energetically executed. This program must look toward the decade ahead and not merely towards this year and next year.

On what principles should such a program be based?

First, its primary goal must be a firm peace built on genuine understanding among the peoples of the world. Let me quote from the report submitted by the United States National Commission to the Department of State: "UNESCO is not conceived of as an international undertaking to promote education and science and culture as ends in themselves, but rather through education, science and culture, to advance the peace of the world. The American Delegation should support those proposals for action which give promise of advancing directly and significantly the cause of peace through understanding."

Mr. Chairman and fellow delegates, the American Delegation accepts this principle as formulated by its National Commission. This principle would affect the structure as well as the spirit of UNESCO. This principle would minimize the danger that UNESCO will develop into a loose federation of specialized groups, each pursuing its own interest on the quite human assumption that each holds a master key to world understanding. This is a very real danger. We must not emerge from this conference as a series of special interest groups labeled "creative arts", "natural sciences", "mass media", and so forth, insulated from each other and competing or "logrolling" for attention and a share of the budget.

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<sup>1</sup>Address made at the First General Conference of UNESCO at Paris on Nov. 23, 1946 and released to the press on the same date. Mr. Benton is Chairman of the American Delegation.

Specialized skills and interests should be placed in the service of the common cause—the cause of peace through understanding. Each in its own field must seek to stimulate interchange on a world scale; but the common cause must not be subordinated to the service of any special field or any group of fields.

Thus, my first principle is an integrating principle to protect us against the divisive forces that beset us. I suggest that UNESCO be organized around its great central unifying objective rather than on the many foundations of the various disciplines and fields of knowledge into which its intellectual resources are divided. The channels through which it will act will themselves exert an integrating influence upon its activities. These channels seem to me to be three in number. First, we have the traditional role of formal education; secondly, the emerging role of scientific and cultural exchanges, in which the Institute of Intellectual Cooperation bravely pioneered, and thirdly, the new and relatively unexplored field of mass education at the adult level. Through these three channels we can perhaps best integrate the efforts of the specialists and focus them upon the common goal.

This, then, is the first principle: to concentrate our efforts upon our primary objective—the building of peace through understanding among the peoples of the world.

My second principle is that the means employed by UNESCO should be adapted to the end I have outlined. Let me quote again from the report of the United States National Commission: "In the opinion of the National Commission the responsibility of the United Nations Educational, Scientific and Cultural Organization in the present crisis is so great and so pressing that the Organization should not hesitate to employ any proper means, however novel or however costly, which give promise of success. UNESCO is itself a new agency, daring in purpose and novel in structure. The means it employs should be appropriate to its nature. It must serve as the cutting edge for international action."

I shall cite as a prime example of a means appropriate to its nature the mass education of the peoples of the world. This goal can only be achieved in the world as a whole through the mod-

ern instruments of mass communications—the modern press, the radio, and the motion picture. Because these new instruments of world communication have been vulgarized on occasion and have even been perverted and misused for mass deception does not mean that they cannot be employed, by those who wish so to employ them, for the high purposes of knowledge and truth. The use of such instruments for mass education is little understood by many of the world's scholars and intellectuals. The first sentence of the UNESCO constitution states that it is in the minds of men that the defenses of peace must be constructed. We in the American Delegation understand that to mean *all* men, not merely elite groups with special training.

Scholars and scientists and philosophers and artists are the sources and wellsprings of the world's culture. We can no longer wait upon slow seepage to bring their work to the masses of mankind. The ordinary men and women of the world are athirst for knowledge. Their stride is the stride of a giant. They will march surely as they have the knowledge or blindly as they lack it.

As vice president of the University of Chicago for eight years I saw that the riches of human learning need not—indeed cannot and must not—be the hoard and the monopoly of the few. I learned that without sacrifices of intellectual integrity it is possible to reach millions of ordinary men and women by the new instruments of communication, and to provide them with stimulus to thought and intelligent action. Here is the great educational challenge of the future—for UNESCO and for all of us.

The task UNESCO faces is a staggering one. It is a grim fact that more than half the people of the world are living under some degree of political censorship. It is a grim fact that more than half the earth's population—and not the same half—is illiterate.

The hopeful side of the picture is that men everywhere have an innate yearning for understanding. Further, they have the capacity to achieve it. The anthropologists have demonstrated that, biologically, all races and peoples have in roughly equal measure the same potentialities for understanding and for creative work. Men have struggled for centuries to bring into being the ideal of po-

litical democracy; the streets of this beautiful city have run red for that ideal. More recently men have struggled for economic democracy. I propose for UNESCO the development of means adequate to a third goal—the goal of cultural democracy; the opportunity for all to share in the ideas and the knowledge that will enable them to participate intelligently in the affairs of the world community.

UNESCO does not believe and cannot believe that peace is to be obtained through the intellectual and cultural subjugation of the world by any single political philosophy or through the conversion of the world to any single religious faith. UNESCO is founded on the belief that neither the forced unification of the world of the spirit nor the forced standardization of the world of the mind can give men peace, but only a world democracy of mind as well as spirit. Cultural democracy implies cultural integrity, as true political democracy implies the freedom of the person and his personal integrity and self-respect. The cultural democracy which UNESCO proposes is a democracy of mind and spirit in which every culture shall be free to live and develop in itself and in the great community to common culture. Free men do not fear ideas; free men are not afraid of thought; free men are eager to confront the differences and rich varieties that life presents, and to determine for themselves the things they take as true. This, from the beginning, has been the path of freedom.

This brings me to my third and last principle: the scope of our program, over the years ahead, must be proportioned to the task.

It might be argued that the goal for UNESCO is impossible of attainment within the significant future; that the task is so immense that UNESCO can make only a minor contribution to it, scarcely decisive in the issue of war and peace.

My answer again is to direct attention to the new means at the disposal of the cultural forces of the world.

One hundred years ago Horace Mann, a great pioneer of American education, was establishing the common school system of Massachusetts. The system he founded became the model for public education throughout the 48 States. It was harder for Horace Mann to travel from Boston to Pitts-

field, about a hundred miles away, than it was for the American Delegates to this Conference to fly from Washington to Paris. It was far harder for Horace Mann to communicate with Pittsfield than it is for the president of Harvard University to talk to the Minister of Education in China. The despair one feels in thinking of the immensity of UNESCO's tremendous responsibilities is mitigated when we think of instruments now at our disposal. In fact, if the ideas which we espouse here are as dynamic as were those of Horace Mann, there is no reason for despair.

Thus my fears for UNESCO are not the lack of instruments or the absence of interest or capacity on the part of ordinary people everywhere. My fears are that we ourselves, we of UNESCO, will not set our sights high enough for the long range; that the leaders of our nations will not perceive the true potentialities of UNESCO; and that the financial and political support accorded UNESCO will not permit us to proportion our program to the job ahead of us.

I do not now propose, however, an expansion of the budget advanced by the Secretariat of the Preparatory Commission. In fact, it may well be advisable to scale the first year's expenditures downward.

War has left its historic wake of destruction, hunger, and disease. The world is now struggling back toward physical and financial health. We must not risk the foundering of the United Nations and or its specialized agencies by asking nations to assume heavy new financial burdens at a moment when many of them do not have the resources to subsist and rebuild. Neither should we risk devitalizing this great enterprise by making it largely the responsibility of a few nations.

The coming year, I think we are agreed, should be a year of exploring and planning—planning accompanied by the launching of a small number of crucial projects, which will clearly demonstrate the worth and the significance of our undertaking. This year of planning will bring further clarification of purposes, will serve as a laboratory for our own experience and for demonstration to our peoples of some of the kinds of things we can accomplish.

But of one thing we must be careful: the budget for 1947 must not be regarded by our governments

or our peoples as establishing the norm for future years; I suggest we present the 1947 budget as a fledgling budget. If we think of it as the fledgling that indeed it is, while we test our wings and plan our course of flight, this will prepare our governments for the more costly projects that UNESCO must embrace when the world emerges from this period of struggle for subsistence. Future budgets must be scaled to the magnitude of UNESCO's opportunities and to the promise of UNESCO's organization as it grows in strength.

As understanding develops throughout the world, the unproductive cost of armaments can and must come down. The combined budgets of all nations for their military and naval establishments for this year is, I would guess, at least ten thousand times the size of any budget now contemplated for UNESCO. In each country the military establishment is an unproductive drain on the economy as is a fire-insurance premium an unproductive expenditure for a home-owner. When his fire-insurance premium becomes unbearably large, the home-owner seeks ways to reduce it by reducing the risk of fire.

To the world citizenry UNESCO is a vehicle through which the risk of fire can be reduced. Surely it is good business to put money into UNESCO when the risk against which we are protecting ourselves is war.

UNESCO has been called into existence to serve all the peoples of the world, without distinction of race or nationality, sex or language or economic condition. I trust that the day is near at hand when all nations will have taken their place as members of this organization.

UNESCO belongs to the people and not to the scholars and intellectuals, though the opportunity for leadership is theirs. The people will ask one question: What is UNESCO doing for peace? The people will not accept excuses. If we offer such, they will merely ignore us.

Mr. Chairman and fellow delegates, to help make peace: that is the task of UNESCO. It is the hardest, longest, largest task that men can undertake. Peace cannot be built by little men, with a little money, in a little way. UNESCO needs strong men and bold men. To those who are strong and bold for peace the people will not deny the backing they need. The people will give their

support and far more. They will give their devotion, their hearts, and their minds.

The military experts have said there is no defense against the weapons of modern war. They are right. There is no military defense. But there is another, a greater defense, which is not military. The people have sent us here to build it. That defense must be built by us and, as the constitution of UNESCO declares, it must be built in the minds of men. It must be built in the minds of all men—everywhere.

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**Foreign Relations Papers**—Continued from page 985

The United States was one of 42 signatories to a multilateral treaty on limiting manufacture and regulating distribution of narcotic drugs. A request by the Afghanistan Government for negotiation of a treaty establishing official relations was considered "premature" because the United States had not yet recognized that Government. The United States and Canada agreed that progress on drafting of a treaty for development of the St. Lawrence waterway "would be more definitely assured by direct and verbal exchange of views" between the two Governments. A provisional commercial agreement between the United States and Chile was effected by an exchange of notes.

Of interest to students of international law are replies by the Department of State to inquiries on the following subjects: immunity of foreign states from suits in Federal and State courts; representation of the United States before foreign courts; definition of a commercial attaché; information whether such an official is entitled to diplomatic immunity.

*Papers Relating to the Foreign Relations of the United States, 1931*, volume I, was compiled by William F. Cargo, Victor J. Farrar, Gustave A. Nuernberger, John Gilbert Reid, and William R. Willoughby under the direction of E. Wilder Spaulding, Chief of the Division of Research and Publication, and E. R. Perkins, Editor of the *Foreign Relations Volumes*. Copies of volume I (six, 961 pp.) will be available shortly and may be purchased from the Superintendent of Documents, Government Printing Office, for \$2.75 each.

## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### *Calendar of Meetings*<sup>1</sup>

<b>In Session as of November 24, 1946</b>		
Far Eastern Commission . . . . .	Washington . . . . .	February 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	March 25
Military Staff Committee . . . . .	Lake Success . . . . .	March 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
UNRRA-Intergovernmental Committee on Refugees (IGCR) Joint Planning Committee.	Washington and Lake Success	July 25
General Assembly . . . . .	Flushing Meadows . . . . .	October 23
Telecommunications Advisory Committee . . . . .	Lake Success . . . . .	November 10
German External Property Negotiations with Portugal (Safehaven) . . . . .	Lisbon . . . . .	September 3
PICAO:		
Interim Council . . . . .	Montreal . . . . .	September 4- November 18
Divisional		
Meteorological Division . . . . .	Montreal . . . . .	October 29-November 26
Communications Division . . . . .	Montreal . . . . .	November 19
International Conference on Trade and Employment: First Meeting of the Preparatory Committee.	London . . . . .	October 15
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	October 24
FAO: Preparatory Commission To Study World Food Board Pro- posals	Washington . . . . .	October 28
Council of Foreign Ministers . . . . .	New York . . . . .	November 4
IARA: Meetings on Conflicting Custodial Claims. . . . .	Brussels . . . . .	November 6
UNESCO:		
"Month" Exhibition . . . . .	Paris . . . . .	November-December
General Conference . . . . .	Paris . . . . .	November 19- December 10 (tentative)
ILO: Industrial Committee on Textiles: Brussels . . . . .	. . . . .	November 16-25
International Whaling Conference . . . . .	Washington . . . . .	November 20
<b>Scheduled for November 1946 - January 1947</b>		
ILO: Industrial Committee on Building, Civil Engineering and Pub- lic Works	Brussels . . . . .	November 25-December 3
Rubber Study Group Meeting . . . . .	The Hague . . . . .	November 25-30

<sup>1</sup> Calendar prepared in the Division of International Conferences, Department of State.

*Calendar of Meetings—Continued*

PICAO:		
Divisional		
Search and Rescue Division . . . . .	Montreal . . . . .	November 26
Rules of the Air and Air Traffic Control Practices Division . . .	Montreal . . . . .	December 3
Personnel Licensing Division . . . . .	Montreal . . . . .	January 7
Aeronautical Maps and Charts Division . . . . .	Montreal . . . . .	January 14
United Nations:		
Economic and Social Council		
Commission on Narcotic Drugs . . . . .	Lake Success . . . . .	November 27
Drafting Committee of International Trade Organization, Preparatory Committee	Lake Success . . . . .	January 20–February 28 (tentative)
Economic and Employment Commission . . . . .	Lake Success . . . . .	January 20–February 5 (tentative)
Social Commission . . . . .	Lake Success . . . . .	January 20–February 5 (tentative)
Subcommission on Economic Reconstruction . . . . .	Geneva . . . . .	January 27–February 13 (tentative)
Human Rights Commission . . . . .	Lake Success . . . . .	January 27–February 11 (tentative)
Population Commission . . . . .	Lake Success . . . . .	January 27–February 11 (tentative)
Meeting of Postal Experts . . . . .	New York . . . . .	December 10
Meeting of Governmental Experts on Passport and Frontier Formalities	Geneva . . . . .	January 14–29
Inter-American Commission of Women: Fifth Annual Assembly . .	Washington . . . . .	December 2–12
UNRRA Council, Sixth Session . . . . .	Washington . . . . .	December 10
Intergovernmental Committee on Refugees (IGCR): Sixth Plenary Session	London . . . . .	December 16
Meeting of Medical and Statistical Commissions of Inter-American Committee on Social Security	Washington . . . . .	January 6–11
Twelfth Pan American Sanitary Conference . . . . .	Caracas . . . . .	January 12–24
Second Pan American Conference on Sanitary Education . . . . .	Caracas . . . . .	January 12–24

*Activities and Developments»*

**UNRRA Council: Sixth Session**

[Released to the press by UNRRA November 20]

The sixth session of the UNRRA Council will be held in Washington, D. C., it was announced November 20 at UNRRA headquarters in Washington. The session will open on December 10 at the Shoreham Hotel. A brief session is planned dealing with policy questions, including the transfer of certain UNRRA functions to other international agencies. The agenda will be adopted at the opening meeting.

# International Whaling Conference: First Plenary Session

## ADDRESS BY ACTING SECRETARY ACHESON<sup>1</sup>

I am very pleased to have this opportunity of welcoming you here today on behalf of the Government of the United States of America.

The convening of this International Whaling Conference is gratifying not only because it marks an advance in international cooperative effort in whale conservation but also because it illustrates increasing cooperation among the nations in the solution of international conservation problems.

The work of this Conference is, first, to provide for the coordination and codification of existent regulations and, second, to establish effective administrative machinery for the modification of these regulations from time to time in the future as conditions may require.

Previous conferences have recognized that there is an urgent need to establish permanent international machinery to deal with whaling questions and to avoid the frequent formal international conferences and protocols which have characterized the history of whaling regulations. The United States proposals for a permanent whaling commission and for codification of existing regulations are a manifestation of the recognized need to place whale conservation on a permanent basis. These proposals have been presented to you as a basis for your deliberations at this Conference.

While the immediate task of this Conference is primarily of an administrative character in establishing the long-range machinery for regulation, the broad objectives of whale conservation must be constantly borne in mind. In wide perspective, all of the nations of the world have responsibility and interest in maintaining and developing the whale stocks. These whale stocks are a truly international resource in that they belong to no single nation nor to a group of nations, but rather they are the wards of the entire world. It is true that the whalers of only a few nations have, during any one period, chosen to exploit this common resource. It has not been so

long since this country was the primary exploiter of the world's stocks, and I must admit that I look back with regret to the fact that the world in that era did not take its conservation responsibilities more seriously.

Whale conservation must be an international endeavor, and it is our hope that each nation, whatever its direct or indirect interest in whaling, will ultimately participate actively in the great task of fostering and developing this common resource.

As I turn this meeting over to you, I do so with no question as to the outcome. You are not new to this problem of whale conservation and development—many of you are authors of this program—most of you have worked closely together for many years in striving toward the best possible means for preserving international whale stocks, and all of you are here with similar purpose and similar aims.

May I then wish you great success in the work of this Conference and a pleasant stay here.

## THE FOREIGN SERVICE

### Consular Offices

The American Mission at Tirana, Albania, was closed on November 15, 1946.

### Diplomatic Office

The American Mission at New Delhi, India, was raised to an Embassy on November 1, 1946.

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<sup>1</sup>Made at the opening plenary session of the International Whaling Conference at Washington on Nov. 20, 1946 and released to the press on the same date.

## United States Accepts Membership in Provisional Maritime Consultative Council

[Released to the press November 21]

The Government of the United States is notifying the Government of the United Kingdom of its acceptance of membership in the Provisional Maritime Consultative Council, the Department of State announced on November 21.

Notification to the British Government of the acceptance is in accord with the procedure determined at the second session of the United Maritime Consultative Council which was held in Washington October 24-30, 1946.<sup>1</sup>

The Provisional Maritime Consultative Council was organized at the Washington meeting as an interim group pending the establishment of a permanent world maritime organization that can be integrated with the United Nations. The United Maritime Consultative Council became non-existent as of October 31, 1946.

At the close of its Washington meeting, the United Maritime Consultative Council sent a telegram to the Secretary-General of the United Nations stating that it had agreed to recommend to its member governments the establishment, through the machinery of United Nations, of a permanent international shipping organization within a defined scope.

Representatives of the following nations were present at the Washington sessions:

Australia, Brazil, Belgium, Canada, Chile, Denmark, France, Greece, India, Netherlands, New Zealand, Norway, Poland, Sweden, Union of South Africa, United Kingdom, and United States.

## U.S. Delegation to Industrial Committee on Building, Civil Engineering and Public Works of ILO

[Released to the press November 22]

The Secretary of State announced on November 22 that the President has approved the com-

position of the United States Delegation to attend the meeting of the Industrial Committee on Building, Civil Engineering and Public Works of the International Labor Organization. These nominations were submitted by the Secretary of State upon the recommendation of the Secretary of Labor, Lewis B. Schwellenbach. This meeting is scheduled to be held in Brussels, Belgium, November 25 to December 3, 1946.

The other countries scheduled to participate are: Australia, Belgium, Brazil, Canada, Chile, China, Czechoslovakia, Denmark, Finland, France, India, Italy, Mexico, Netherlands, Norway, Poland, Sweden, Switzerland, Union of South Africa, and United Kingdom. This meeting stems from the policy inaugurated by the Governing Body of the International Labor Office in January 1945 of establishing seven major Industrial Committees for the purpose of paying closer attention to the individual industries and thus implementing the previously evolved general principles governing labor standards and social policy on an individual industry basis. In line with these objectives the ILO has already held the initial meetings of five of the Industrial Committees: Coal Mining, Inland Transport, Iron and Steel, Metal Trades, and Textiles, in all of which the United States Government was represented by complete delegations. As in the case of the previously held committee meetings, the first session of the Building, Civil Engineering and Public Works Committee is expected to be largely organizational in character and to lend itself to preliminary explorations into the fields of social policy in which future international cooperation in the world's construction industries may be undertaken.

The composition of the United States Delegation is as follows:

### REPRESENTING THE GOVERNMENT OF THE UNITED STATES

#### Members

Robert J. Myers, Manpower Division, Office of Military Government for Germany (U. S.); Assistant Commissioner Designate, Bureau of Labor Statistics, Department of Labor, Washington, D.C.

Winchester E. Reynolds, Commissioner of Public Buildings, Federal Works Agency, Washington, D.C.

#### Advisers

Herman Byer, Acting Chief, Employment and Occupa-

(Continued on page 1022)

<sup>1</sup> BULLETIN of Oct. 6, 1946, p. 631; and Nov. 3, p. 816.

## Czechoslovakia Provides for Compensation of Claimants

### Under Nationalization Program<sup>1</sup>

[Released to the press November 20]

The Czechoslovak Republic is now publishing from time to time in its official gazette, the *Uredni List*, the names and addresses of all enterprises taken over pursuant to the four nationalization decrees signed October 25, 1945. The decrees provide that compensation will be made to all persons or legal corporations except those who engaged in activities against the sovereignty, independence, integrity, democratic constitution, safety, or defense of the Czechoslovak Republic. All claimants must prove that they do not come within these classifications. There is some possibility that *pro rata* compensation may be given innocent stockholders. The assets and liabilities of nationalized enterprises are determined as of January 1, 1946, and compensation therefor will be based on the official prices of October 27, 1945. However, if these are not available, the price will be established by official valuation after deducting liabilities. Compensation claims for nationalized enterprises may now be filed directly with Department IV of the Ministry of Foreign Affairs. For the claimant's convenience only, the Department of State will act as transmitting agent for filing such claims. At present there is no time limit for such filing. Claims should be in sextuplicate (an original and five copies). Claimants sending their claims directly to Czechoslovakia should mail one copy to the Department of State.

In addition to an indication that claimants do not come within the classifications mentioned above, claims should include: (1) evidence of claimant's American nationality; naturalized individuals should specify certificate number, date, and place of naturalization, and request the Immigration and Naturalization Service at Philadelphia,

Pa., to furnish evidence thereof for transmission with their claim; (2) a full description of the property in question, its location and clear proof of title thereto, including a statement of the time and manner of the acquisition of claimant's ownership or other interest therein; (3) evidence of the nature and extent of any non-American interest in the property, if known; and (4) a detailed itemized statement of the assets and liabilities on January 1, 1946 and their value based, if known, on prices of October 27, 1945 together with proper and sufficient evidence thereof.

Documentary evidence should consist of original documents or certified copies of originals and affidavits to support every essential allegation. Documents filed as evidence should be numbered consecutively and cited by number immediately after the allegations in support of which the documents are filed.

When a claimant is represented by an attorney in Czechoslovakia, the latter should have a power of attorney evidencing his authority to act in such capacity. If such representation is desired, the Department will, upon request, furnish a list of attorneys which it has received from the chambers of lawyers for Bohemia, Moravia-Silesia, and Slovakia, and the claimant may communicate directly with the attorney selected. It should be clearly understood that the Department of State can not assume responsibility for the attorneys selected, the preparation of claims, or the obtaining of appropriate evidence in support of allegations.

The procedures above outlined are only for

<sup>1</sup>An article on the nationalization program in Czechoslovakia will appear in the BULLETIN of Dec. 8, 1946.

claims under the nationalization laws and do not purport to cover cases of property requisitioned or otherwise taken by the Government.

The following enterprises were nationalized by the above-mentioned Czechoslovak decrees:

(a) All private insurance interests; joint stock companies engaged in banking and financial transactions (joint stock banks); certain mines and mining enterprises, power plants, and installations (with few exceptions); numerous enterprises of the chemical and pharmaceutical industries; sugar factories and refineries; industrial distilleries and spirit refineries; breweries with a 1937 output of more than 150,000 hectoliters of beer; certain enterprises of the armament industry; certain iron, steel, and non-ferrous metal works and steel-rolling mills; certain rolling, pressing, and drawing-mills; enterprises for cellulose manufacture; gramophone record factories; flour mills having a capacity of at least 60 tons of grain a day on October 27, 1945, and enterprises for the manufacture of veneer and plywood and two types of glass works existing on that date;

(b) The following enterprises having the average number of employees set after their names between the dates indicated:

(1) Between January 1, 1938 and January 1,

1940, those enterprises producing porcelain for industrial use and asbestos cement goods—150; margarine factories—150; sawmills—150; printing textiles—200; paper mills—300; sawmills connected with woodworking industries and independent factories of woodenware—300; certain spinning mills for cotton, worsted yarn, woolen yarn, flax, jute, and artificial fibers—400; certain weaving mills for wool, silk, and artificial fibers and enterprises manufacturing carpets, blankets, lace, galloons, hosiery, and knitwear—400; certain spinning mills reclaiming textile waste, factories making thread and yarn—400; cotton-weaving mills—500; clothing industry—500; chocolate and sweets factories—500.

(2) Between July 1, 1938 and July 1, 1940, those enterprises basically producing building and industrial ceramics, glazed tiles, porcelain and lime, quarrying of limestone—150; brickworks—200.

(3) Between January 1, 1939 and January 1, 1941, those enterprises manufacturing artificial leather and leather goods—400.

(4) Between January 1, 1942 and January 1, 1944, foundries of pig iron, wrought iron, steel, and non-ferrous metals—400; metallurgical industry, electrical engineering, precision tool making, and optical instruments enterprises—500.

## U.S.-Czechoslovak Agreement on Commercial Policy and Compensation Claims

[Released to the press November 21]

On November 14, 1946 identical notes were exchanged between the Ambassador of Czechoslovakia, Dr. Juraj Slávik, and Acting Secretary Acheson, embodying an agreement between the Government of Czechoslovakia and the Government of the United States concerning commercial policy, compensation for nationalized properties, and related matters. This agreement marks the culmination of discussions on these matters carried on in Washington between representatives of the two Governments. The text of the United States note follows:

### EXCELLENCY:

The Government of the United States expresses its satisfaction at the successful conclusion of the discussions with the Government of Czechoslovakia concerning commercial policy, compensation for nationalized properties and related matters of mutual interest in furthering the economic relations between their two countries. These discussions have resulted in agreement by the two Governments on the following matters:

1. The two Governments affirm their continued support of the principles set forth in Article VII

of the Mutual Aid Agreement of July 11, 1942,<sup>1</sup> and reiterate their desire to achieve the elimination of all forms of discriminatory treatment in international commerce, and the reduction of tariffs and other trade barriers.

2. The Government of Czechoslovakia is in accord with the general tenor of the "Proposals for Expansion of World Trade and Employment" recently transmitted to the Government of Czechoslovakia by the Government of the United States. Pending the conclusion of the negotiations at the general international conference on trade and employment contemplated by the "Proposals", the two Governments declare it to be their policy to abstain from adopting new measures which would prejudice the objectives of the conference.

3. The two Governments share the view that the conduct of international trade through the mechanism of bilateral barter, clearing, and similar agreements is generally not compatible with the maximization of benefits deriving from trade or with the goal of eliminating trade discrimination. The Government of Czechoslovakia has expressed the view, however, that the use of such agreement during the postwar transition period has been necessary, but it will direct its efforts to their abandonment and a return to multilateralism at the earliest possible date.

4. The Government of Czechoslovakia has declared that it must maintain a system of import and export controls during the postwar transition period in order to safeguard the equilibrium of its balance of payments while seeking to achieve in an orderly way its plan of economic reconstruction. The Government of Czechoslovakia will administer the issuance of import licenses without discrimination as among foreign sources of supply as soon as Czechoslovakia possesses or is able to obtain sufficient free foreign exchange so that it is no longer necessary for her to make her purchases within the limits of bilateral trade and financial agreements.

5. If the Government of either country establishes or maintains a monopoly or enterprise for the importation, exportation, purchase, sale, distribution or production of any article, or grants exclusive privileges to any enterprise to import, export, purchase, sell, distribute or produce any

article, such monopoly or enterprise shall accord to the commerce of the other country fair and equitable treatment in respect of its purchases of articles the growth, produce or manufacture of foreign countries and its sales of articles destined for foreign countries. To this end the monopoly or enterprise shall, in making such purchases or sales of any article, be influenced solely by considerations, such as price, quality, marketability, transportation and terms of purchase or sale, which would ordinarily be taken into account by a private commercial enterprise interested solely in purchasing or selling such article on the most favorable terms.

6. The two Governments express their intention at the earliest practicable date to enter into negotiations looking toward the conclusion of a comprehensive treaty of friendship and commerce which will regulate to their mutual satisfaction economic relations between the two countries. Meanwhile the two Governments have taken cognizance of the fact that each continues to accord to articles the growth, produce or manufacture of the other unconditional most-favored-nation treatment with respect to customs duties, the rules and formalities of customs, and the taxation, sale, distribution, and use within its territory of such articles consistent with provisions of the former trade agreement between the two countries dated March 7, 1938.<sup>2</sup>

7. The Government of the United States and the Government of Czechoslovakia will make adequate and effective compensation to nationals of one country with respect to their rights or interests in properties which have been or may be nationalized or requisitioned by the Government of the other country. In this connection, the Government of the United States has noted with satisfaction that negotiations concerning compensation on account of such claims will shortly begin in Praha.

8. The two Governments agree to afford each other adequate opportunity for consultation regarding the matters mentioned above, and the Government of Czechoslovakia, recognizing that it is the normal practice of the Government of the

<sup>1</sup> Executive Agreement Series 261.

<sup>2</sup> Executive Agreement Series 147.

United States to make public comprehensive information concerning its international economic relations, agrees to make available to the Government of the United States full information, similar in scope and character to that normally made public by the United States, concerning the international economic relations of Czechoslovakia.

The Government of the United States will be pleased to receive from the Government of Czechoslovakia a statement confirming its understanding

of this agreement reached by the two Governments.

Accept [etc.]

The note from the Ambassador of Czechoslovakia confirms the Government of Czechoslovakia's understanding of the agreement reached by the two Governments. The substance of the Czechoslovak note is identical with that of the United States note.

## World Air Transport: Development of United States Policy

BY GARRISON NORTON<sup>1</sup>

I am not here to discuss the security aspects of world air transport. But I think you will all agree that the social and economic effects of mass world air transport would be so beneficial as to constitute a long step in the direction of world security. "Iron curtains", and all they stand for, are the greatest threat to security today. The peoples of the world must get to know each other, just as the good citizens here present know each other, or we shall perish.

Therefore, I can quote to you from a resolution adopted by our Government and that of the United Kingdom at Bermuda last February, as the expression of what I call our "Number One Policy" in the field of world air transport:<sup>2</sup> ". . . the two Governments desire to foster and encourage the widest possible distribution of the benefits of air travel for the general good of mankind at the cheapest rates consistent with sound economic principles; and to stimulate international air travel as a means of promoting friendly understanding and good will among peoples . . ."

In a moment I shall return to the Bermuda agreement, but I want to emphasize that the policy just expressed has been formulating in our Government for some years and has been developed in

full acceptance of the doctrine that every country has complete and exclusive sovereignty over the air-space above its territory. For example, what I have described as our "Number One Policy" wrought a fundamental change in our attitude as to the manner in which our foreign air carriers could arrange for routes and landing rights in the territories of other countries. Under the Foreign Air Mail Act of 1928, our airlines made their own arrangements with foreign governments, primarily for the reason that these governments had no interest in engaging in international air transport at that time. However, with the growing importance of air transport, more and more of these countries realized that they did want to enter this field themselves. In recent years virtually all of them have demanded reciprocal rights. Since it is of course impossible for a private American airline to grant the right for a foreign airline to enter this country, there was a tendency even at this early date toward shifting negotiations to an intergovernmental level. Much thought was given to this problem by the Congress, the Department of State, and the Department of Commerce. The record of hearings before House and Senate committees clearly shows that Senators and Congressmen, as well as administration officials, were fully aware of the remarkable pioneering job done by our first international flag carriers. But it is equally clear from the record that an overwhelming majority of these gentlemen believed the time had come, in the interest of the policy above out-

<sup>1</sup> Made before the Cincinnati Rotary Club on Nov. 21, 1946 and released to the press on the same date. Mr. Norton is Director of the Office of Transport and Communications, Department of State.

<sup>2</sup> BULLETIN of Apr. 7, 1946, p. 585.

lined, to put a stop to the private negotiation of international civil air rights.

The most important step taken by our Government in this direction was the passage in 1938 of the Civil Aeronautics Act. Section 2 of that Act voices much of the policy I have just quoted to you. Section 801 puts control over international aviation in the hands of the President, and section 802 makes it clear that the State Department, in any negotiations with foreign governments for the establishment of air routes and services, must consult with the Civil Aeronautics Board. This Act, while it authorizes the State Department to negotiate international air agreements, does not prohibit private individuals or corporations from concluding similar contracts with foreign powers, although section 1102 implies that the Board may veto such contracts.

The Transportation Act of 1940 further strengthened the role of Government in negotiation of international civil air rights and led to an important opinion of the Attorney General in which he more precisely delineated the Board's duties and responsibilities in this field. The final step occurred in 1943, when the Department of State and the Civil Aeronautics Board issued a joint statement in which it was made clear that henceforth the Department of State would conduct with foreign governments such negotiation for new or additional rights as might be determined to be desirable as a result of collaboration between the Department and the Board.<sup>1</sup>

Our Government had arrived at this position none too soon. War had accelerated the development of world aviation to an incredible degree. Our Army was transporting four million passengers across the Atlantic. Our technicians had girdled the globe with a system of airports and radio aids to air navigation similar to what we had already achieved in the United States. Mass world air transport was within easy reach. Even to those of us who had been associated with aviation for many years, this development was astonishing. My first round trip across the Atlantic in a C-54, stopping at Army fields in Newfoundland, the Azores, and Iceland, seeing the heavily loaded planes arrive and depart with fresh troops and wounded men, was an experience I shall never for-

get. An international civil-aviation conference, even in wartime, had become an obvious necessity. Our Government took the lead in inviting the other states to such a conference in Chicago.

From that conference, held in November and December 1944 and attended by representatives of 54 nations, emerged the basic pattern of world aviation under which the majority of nations are proceeding today. The conference accepted without question the doctrine of "sovereignty of airspace" and the policy of "dealing at governmental level" which I have just mentioned; in fact those are foundation-stones in the structures built at Chicago. But the conference, reflecting the rapid advance in world aviation, went much further than that; it tackled the problem of approaching multilaterally the various aspects of international civil air transport.<sup>2</sup>

This multilateral approach proved successful in two major fields: organization and techniques. In other words, it was found possible to agree around the table as to a Provisional International Civil Aviation Organization which has already, under the inspired leadership of its President, Dr. Edward P. Warner, accomplished great things in the standardization of aids to navigation and air-safety practices of every kind. Moreover, this organization, which last May adopted Montreal as its permanent headquarters, has already gone a long way in establishing its relationship and affiliation with the United Nations. Furthermore, this Provisional International Civil Aviation Organization is now well on its way to dropping the word *provisional* from its title. In July 1946 the United States Senate, in ratifying the treaty under which the organization can become a permanent one, started a landslide of ratifications by other nations. There is little doubt that the requisite 26 ratifications, and probably many more, will be deposited before the next Assembly at Montreal.

In the field of economic regulation, however, the multilateral approach stumbled rather badly in spite of the frank and sincere efforts of all concerned at Chicago. The main stumbling block

<sup>1</sup> BULLETIN of Oct. 16, 1943, p. 265.

<sup>2</sup> For text of Final Act of the Chicago Aviation Conference see Department of State publication 2282.

was the extent of multilateral grant of operating privileges. The United Kingdom headed those nations which took a somewhat restrictionist view; the United States led those nations advocating maximum freedom of the air. Unable to agree in this difficult field of economic regulation, the conference boldly took the steps which would lead to agreement in the future. Most important of these was the definition of operating privileges for scheduled international air services. To many of you the so-called "Five Freedoms of the Air" may be familiar, but I should summarize them here:

*Freedom One:* The privilege to fly across a country's territory without landing.

*Freedom Two:* The privilege to land for non-traffic purposes (such as refueling).

*Freedom Three:* The privilege to disembark passengers, mail, and cargo taken on in the aircraft's home country.

*Freedom Four:* The privilege to embark such traffic for the aircraft's home country.

*Freedom Five:* The privilege to carry such traffic between two foreign countries.

During the last days of the Chicago conference these definitions were incorporated in two multilateral agreements: the International Air Transport Agreement, which provided for the unrestricted reciprocal grant of all five freedoms; and the International Air Services Transit Agreement, which provided for reciprocal grant of only the first two freedoms. This transit or "Two Freedoms" agreement met with considerable support and has been signed by 29 countries, including the United Kingdom and all the Dominions.

The transport or "Five Freedoms" agreement, however, found few friends (other than the United States) among those countries which had developed air services to any considerable extent. In fact, a year and a half after the drafting of this agreement at Chicago, it had been accepted by only two such countries—the Netherlands and Sweden. Most of the remaining signatories were those Latin American countries which had supported our principles of air freedom at Chicago.

There were several reasons for the failure generally to accept the "Five Freedoms" agreement. It contained certain legal infirmities. It was ambiguous with respect to exchange of routes between

the various countries concerned. As a matter of fact, to agree multilaterally upon routes to be flown is difficult, if not impossible. Let me give you an example of what I mean from a field that may be more familiar to you. Our Government has recently agreed, in the course of multilateral trade negotiations, upon certain general principles, but we didn't try to include a universal 50 percent tariff reduction, because the situation differs everywhere. The same applies to air transport. Nations can agree multilaterally upon the principles under which they will fly together, but the routes to be flown must be worked out bilaterally in accordance with individual national requirements. These were some of the reasons which prompted our Government last July to announce that, in accordance with article 5 of the air transport agreement, the United States thereupon gave the required year's notice of its intention to withdraw from this agreement. Several other countries have since done likewise. You might call it the end of a noble experiment.

But there was another compelling reason for this decision by our Government. We had established a bilateral pattern—a pattern which we believe provides the key to a multilateral air-transport agreement under which the "Number One Policy" quoted at the beginning of this talk will become an accomplished fact. To make clear what had happened, I must go back for a moment to the summer of 1945.

After Chicago in the absence of an accepted multilateral air-transport agreement, it became necessary for the United States Government to negotiate bilateral agreements with those countries through whose territories we wanted our international flag carriers to fly. While we had been successful in concluding a number of these bilateral agreements in the latter part of 1944 and during 1945, the first big test of this bilateral approach occurred after the Civil Aeronautics Board in its North Atlantic route case had announced the pattern upon which three United States flag carriers were certified to fly across the Atlantic and on to three separate termini, one in Moscow, the other two in India. The key to this North Atlantic route pattern was the United Kingdom, whose views of economic regulation in the air conflicted with our desires for fullest freedom of operation.

My immediate predecessor, George P. Baker, foresaw that with such a development there was growing risk that the air-transport world would become divided into two opposing camps. His intensive efforts to compose the differences between Britain and America on this matter culminated in the meeting of delegations from the two countries in Bermuda early this year. That the agreement reached at Bermuda is fair to both countries is perhaps proved by the fact that it has been attacked vigorously both in Parliament and in Congress as being too generous to the other fellow.<sup>1</sup> It has been defended in London and in Washington—and I believe successfully defended—on the incontrovertible grounds that it reconciles the desire of the United States, on the one hand, to avoid any regulation which might be construed as restrictive of the full exploitation of air transport by private enterprise, and the desire of the United Kingdom, on the other hand, that international air services should be free from destructive rate wars and competitive subsidies.

I should like to describe this Bermuda agreement to you, because it is an important milestone on the highway along which we have moved so rapidly since the war. But my time grows short; I must stick to my subject and complete in a few more words the story of the development of our international air-transport policy.

The Bermuda agreement broke the log jam. We have now signed a total of 23 bilateral agreements, and all of those which we have concluded since Bermuda incorporate its pertinent provisions and principles. Many more are in various stages of negotiation, and there is now little doubt that the principles of Bermuda will receive the general acceptance of the nations of the world.

Thus it happened that even before last May, when the First Interim Assembly of the Provisional International Civil Aviation Organization took place at Montreal, it had become apparent to us that a realistic solution of the multilateral approach in this difficult area of economic regulation was definitely in prospect. If we could complete enough of these bilateral agreements in which the principles would be the same and the routes would be individually negotiated to meet the requirements of the various countries, we could merge them into a single agreement under the

auspices of the international organization. The British shared our view of this matter: their Delegation at Montreal stood firmly with ours in the course of free and frank discussion between the delegates of the 44 member nations there represented. The results of this discussion are becoming apparent in the proposed multilateral agreement which is now being drafted by the organization's staff for submission to the Assembly next year.

It was only logical therefore that the Governments of the United States and the United Kingdom should make a joint statement of their position. I should like to quote from this statement, issued last September, to show you how far along the road we have gone since Bermuda in the development of the policies embodied in that agreement.<sup>2</sup> I quote as follows:

“Both parties are in accord that experience since the Bermuda agreement has demonstrated that the principles enunciated in that agreement are sound and provide, in their view, a reliable basis for the orderly development and expansion of International Air Transport. They believe that these principles provide the basis for a multilateral international agreement of the type that their representatives at the meeting of the Provisional International Civil Aviation Organization Assembly in May advocated as being in the interests of international air transport.

“Consequently, both parties believe that in negotiating any new bilateral agreements with other countries, they should follow the basic principles agreed at Bermuda, including particularly

“(A) fair and equal opportunity to operate air services on international routes and the creation of machinery to obviate unfair competition by unjustifiable increases of frequencies or capacity;

“(B) the elimination of formulae for the predetermination of frequencies or capacity or of any arbitrary division of air traffic between countries and their national airlines;

“(C) the adjustment of Fifth Freedom traffic with regard to:

<sup>1</sup> For text of the Bermuda agreement see BULLETIN of Apr. 7, 1946, p. 584.

<sup>2</sup> BULLETIN of Sept. 29, 1946, p. 577.

"(1) traffic requirements between the country of origin and the countries of destination,

"(2) the requirements of through airline operation, and

"(3) the traffic requirements of the area through which the airline passes after taking account of local and regional services.

"The representatives of the two countries were united in the belief that until a multilateral agreement should be adopted, the Bermuda type of agreement represents the best form of approach to the problem of interim bilateral agreements.

"In furtherance of the foregoing principles each government is prepared upon the request of any other government with which it has already concluded a bilateral air transport agreement that is not deemed to be in accordance with those principles to make such adjustments as may be found to be necessary."

Gentlemen, my time is up and I have only sketched the development of our policy in the field of world air transport. I have heard that policy criticized from two extremes. Some call it an attempt to obtain the Fifth Freedom for our carriers at the expense of the local air transport of other nations. These critics claim that it will promote a subsidy war in which the United States Treasury can always win and that it is merely another example of "dollar diplomacy". The joint statement from which I have just quoted is a quick reply to those allegations. A more specific answer is the Bermuda agreement itself. I have also heard our policy criticized as being "weak and watery". Those who hold this view point with pride to the exclusive arrangements our air carriers obtained in the past, to the airports and radio aids we built everywhere during the war, and to the obvious fact that through development of our aircraft and air-transport industries by private enterprise we are in a position to out-build and out-operate the world. "Why give away our natural advantages?" these people ask. The answer is the fact, so often forgotten, that in this matter of world air transport we must deal with sovereign nations. These nations have complete control over their air space, and as I have already mentioned they are no longer willing to grant air rights on a non-reciprocal basis. Moreover, in no field of economic development are the vital factors of security and pres-

tige more deeply involved than they are in the field of civil air transport. As for those airports and radio aids, we built them to help win the war and we won the war. We did not build them to obtain an economic leg in the door or to create a short-run bargaining position against the sovereign rights of other nations. We believe that the operating privileges we have so far obtained, after a year of intensive effort, are in the best long-run interests of our own healthy air-transport industry. But above all, we believe that our policy leads to a greater goal: peace and security for the peoples of the world through mass air transport.

### **Economist To Study Public Finance in American Republics**

Dr. Philip D. Bradley, of the department of economics of Harvard University, has received a travel grant under the program administered by the Department of State for the exchange of professors and technical experts between this country and the other American republics during the current fiscal year. The purpose of this grant, which supplements a grant he has received from the Guggenheim Foundation, is to enable him to carry out investigations in the field of public finance in Latin America. He will also confer with colleagues in the field of economics and observe the status of studies in economics in universities in the cities which he plans to visit.

### **Radio Broadcast on American Trade Policy**

On November 23 the Assistant Secretary of State for Economic Affairs, Willard Thorp, and the Chief of the Commercial Policy Division, Winthrop Brown, discussed with Sterling Fisher, Director of the NBC University of the Air, the American trade-agreements program with relation to the proposed International Trade Organization. This program was one in a series entitled "Our Foreign Policy". For a complete text of the radio program, see Department of State press release 835 of November 23.

# The Foreign Social Policy of the United States

BY OTIS E. MULLIKEN<sup>1</sup>

Many statements have been made, many speeches presented, on the general foreign policy and on the foreign economic policy of the United States, but relatively little has been said of our Government's foreign social policy. It is entirely appropriate that a discussion of this phase of our foreign policy should be presented to a conference of people concerned with social work. By your professional knowledge and experience you are especially qualified to appraise that policy and to give our Government the benefit of your views.

## General Considerations

What is foreign social policy?

In most general terms, it is that part of foreign policy which is concerned with international problems and activities in the social field. More specifically, it involves cooperative activities with other peoples in the solution of social problems and the development of mutual understanding. I shall have occasion later to discuss the content of this policy. For the moment I would like to refer briefly to its relations to United States foreign policy generally and to foreign economic policy.

Less than a month ago, in welcoming the General Assembly of the United Nations, President Truman said, "The heart of our foreign policy is a sincere desire for peace."<sup>2</sup> Secretary Byrnes has said, "The United States is interested in one thing above all else, a just and lasting peace."<sup>3</sup>

Certain basic concepts recur in official statements of our foreign policy—the purpose of peace and security, the method of friendly partnership, and the development of understanding. As President Truman has stated, "It is understanding that gives us an ability to have peace." Assistant Secretary Benton expressed the same thought when he said that the aim of peace can be achieved only by understanding.

In an address prepared the day before his death, President Roosevelt wrote, "Today we are faced with the preeminent fact that if civilization is to survive, we must cultivate the science of human relationships—the ability of all peoples, of all kinds, to live together and work together in the same world—at peace."

I should like to ask you whether the social field—the field of health, welfare, education, human rights, and fundamental freedoms—has any contribution to make to friendly understanding and to peace, for these constitute the subject-matter of foreign social policy. The question is rhetorical; the answer is evident. These fields obviously hold great promise for the development of that understanding and friendly cooperation among peoples which is at the basis of our foreign policy.

Foreign social policy, being concerned with these matters, is therefore an integral part of our general foreign policy.

The very nature of the relations between economic and social problems sometimes makes it difficult to distinguish between them. What relations exist between our foreign social policy and our foreign economic policy?

Under Secretary of State Clayton has described the foreign economic policy of the United States in the following words:

"The United States is committed to the support of all sound measures which will contribute to an increase in the production and consumption of goods throughout the world to the end that peo-

<sup>1</sup> Address made before the Kentucky Conference of Social Work in Louisville, Ky., on Nov. 22, 1946 and released to the press on the same date. Mr. Mulliken is Chief of the Division of International Labor, Social and Health Affairs, Office of International Trade Policy, Department of State.

<sup>2</sup> BULLETIN of Nov. 3, 1946, p. 809.

<sup>3</sup> BULLETIN of Oct. 13, 1946, p. 666.

ple everywhere will have more to eat, more to wear, and better homes in which to live.

"We do not contend that higher living standards will of themselves guarantee the peace but we do believe that they will create a climate conducive to the preservation of peace in the world.

"In order to achieve our objective of a rising standard of living throughout the world, we are committed to the reduction of barriers to the international movement of goods and to the elimination of discriminatory practices in international trade."<sup>4</sup>

The purpose of achieving higher living standards is closely akin to what many think of as social policy. It is interesting to note that the Temporary Social Commission of the Economic and Social Council of the United Nations—an international group of experts—undertook as its first task to give meaning to the term *social policy*. It concluded that the object of such policy should be to insure to all a satisfactory basis of living and that the essential element of social policy is the standard of living. The standard to be attained is the well-being of all members of the community, enabling each one to develop his personality in accordance with the needs of the community; and, at the same time, to enjoy from youth to old age as full a life as may be possible.

The Temporary Social Commission, in addition to referring to food and nutrition, clothing and housing, also referred to other elements of this standard of living—health and medical care, education and recreation—which are essential components not exclusively economic in character.

Social policy is obviously bound up with economic policy, which aims at the production of goods and services and their distribution to the best advantage to the community. But it seems to me that it goes further. It proceeds beyond the provision for material wants to those conditions which, as the National Social Welfare Assembly has pointed out, enable individuals and families to lead personally satisfying and socially useful lives.

I like the way President Roosevelt once put it

<sup>4</sup> BULLETIN of Aug. 18, 1946, p. 320.

<sup>5</sup> BULLETIN of Oct. 28, 1945, p. 655.

<sup>6</sup> Treaty Series 993.

when he said, "In national as in international affairs economic policy can no longer be an end in itself. It is merely a means for achieving social objectives."

This statement gives us a proper perspective in which to recognize the interdependence of foreign economic and social policy as integral parts of our foreign policy.

#### U. S. Foreign Social Policy Defined

What is the foreign social policy of the United States? President Truman, on October 27, 1945, made a definitive statement on United States foreign policy. He said:

"Our American policy is a policy of friendly partnership with all peaceful nations, and of full support for the United Nations Organization."<sup>5</sup>

The United Nations Charter is part of the law of our land and a part of the law of nations. In adopting the Charter the United States assumed a number of obligations.<sup>6</sup> Especially pertinent to a consideration of our foreign social policy are articles 55 and 56 of the Charter. Article 56 reads as follows:

"All Members pledge themselves to take joint and separate action in cooperation with the Organization for the achievement of the purposes set forth in Article 55."

The purposes referred to in article 55 are the following:

"With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote:

"a. higher standards of living, full employment, and conditions of economic and social progress and development;

"b. solutions of international economic, social, health, and related problems; and international cultural and educational cooperation; and

"c. universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion."

### Active Cooperation With International Machinery

This policy obviously involves active cooperation with and participation in the international machinery established to achieve these purposes.

The Charter of the United Nations provides that the General Assembly shall initiate studies and make recommendations for the purpose of promoting international cooperation in the economic, social, cultural, educational, and health fields, and assisting in the realization of human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

Then there is the Economic and Social Council which is to make and initiate studies and reports and make recommendations with respect to international economic, social, cultural, educational, health and related matters, and for the purpose of promoting respect for and observance of human rights and fundamental freedoms for all.

Furthermore, there are the Commissions which have been established by the Council to advise it in this work. In the social field, there are the Social Commission, the Commission on the Status of Women, the Narcotics Commission, the Population Commission, and the Commission on Human Rights.

In addition, there are those intergovernmental agencies which are semi-independent, but which will be brought into relationship with the United Nations. These include the International Labor Organization, the World Health Organization, United Nations Educational, Scientific and Cultural Organization, and the proposed International Refugee Organization—each with its own purposes and activities in the social field.

The implementation of our foreign social policy requires active participation in the work of all these organs.

I would not want to create the impression that the foreign social policy of the United States is something new—something that has just come into existence with the establishment of the United Nations. That is far from the truth. Many aspects of our foreign social policy have existed for years—dating back almost to the beginning of our national existence, as I shall indicate in a few moments. It is simply that the United Nations has afforded us a new mechanism for the more

effectively coordinated expression of many aspects of that policy.

In addition to these United Nations bodies there are other comparable international organizations falling outside the framework of the United Nations structure. Among these are the following: The Inter-American Economic and Social Council, the Pan American Sanitary Bureau, the International Penal and Penitentiary Commission, the Intergovernmental Committee on Refugees, the American International Institute for the Protection of Childhood, and the Permanent Inter-American Committee on Social Security. In connection with each of these the United States has the same responsibility for participation, support, and cooperative exchange of experience.

The United States Government, however, has not been satisfied and will not be satisfied to rest its efforts in the field of international social policy with those activities which it carries on through such international organizations. It has developed and is developing more extensively and more intensively various activities for which it assumes primary responsibility. It sends experts in the social field to foreign countries to provide technical advice and assistance. It brings students, representatives of foreign governments, and other persons to this country for training. It assists in the financing of cooperative projects in the social field. It stimulates and assists by participation in many international conferences in these several fields which are organized primarily by private groups.

### Activities Concerning Foreign Social Policy

#### 1. *Public Health*

First, the field of public health. The United States Government has a great interest in international aspects of public health, since disease in other parts of the world has always had an effect on the health of the people of the United States. The United States Government has been represented at international health conferences since 1851. It has participated in international health agreements since its participation in the formation in 1902 of the Pan American Sanitary Bureau and in the formation in 1903 of the International Office of Public Health.

The United States has actively participated in the work of the Pan American Sanitary Bureau; a

citizen of the United States has always been its Director. In 1924, under United States leadership, the Bureau expanded its functions to include reporting on most of the communicable diseases, research in public health, and aid to governments in developing national health services. The United States contributes approximately one half of the annual appropriation to the Bureau. In addition, it supplies personnel from the Public Health Service and extra funds from various sources which finance and staff the larger portion of the field work of the organization.

We have been a member of the International Office of Public Health since its inception;<sup>7</sup> and although our Government was never a member of the League of Nations, it did participate in the work of the League's Health Section. United States experts in various fields of health were active members of the principal scientific commissions of the Health Section.

As dissolution of the League of Nations became certain, the Department of State took steps to assure that the essential functions of the League's Health Section would continue and expand. In cooperation with the Public Health Service, the Department began preparations for an international health organization and drafted an outline of a basic structure and constitution.

The United States played a leading part at the International Health Conference held in New York this summer where the constitution of the World Health Organization was drafted.

This conference organized an Interim Commission to prepare for the first meeting of the World Health Organization. This Commission, on which the United States is represented, is already active. It is preparing to start immediately some of the essential functions of the World Health Organization.

The United States organized the health activities of the Institute of Inter-American Affairs. The Health Section of the Institute was established as a corporation, following the 1942 Rio conference

of Foreign Ministers. Immediately thereafter, bilateral agreements were entered into between the United States and all Latin American republics, except Argentina and Cuba, whereby a Cooperative Health Service was set up in each Ministry of Health. These services engaged in all types of health activity, including research and training. In this way they have aided in the further development of the national health departments of the Latin American republics.

Consideration is being given currently to developing a program for assigning public-health attachés to the principal countries of the world. We believe that we can aid the development of public-health activities in the United States as well as in other countries by placing these trained attachés in our principal embassies. They would become acquainted with the national health services of the countries to which they are accredited, join their medical and health societies, and meet the individuals who are carrying on health administration and medical research. They would be in a position to inform us of the advances made in other countries as well as to transmit such information concerning our own country to other nations.

## 2. *Narcotic Drugs*

The field of narcotic drugs is related closely to both health and welfare.

In this field it is the policy of the United States to cooperate with all other countries in measures promoting international control.<sup>8</sup> Early in the twentieth century the United States recognized that it could not protect itself from the international illicit traffic in narcotic drugs if it acted alone. It took the initiative in bringing about the first international conference on the subject, which was held in Shanghai in 1909. Later the United States proposed the convening of the conference, which resulted in the international opium convention signed at The Hague on January 23, 1912.<sup>9</sup>

The United States participated in the international drug conferences held at Geneva, Switzerland, under the auspices of the League of Nations in 1924, 1931, and 1936 and was represented by an observer at the Bangkok conference of 1931 on

<sup>7</sup>Treaty Series 466.

<sup>8</sup>For article on "International Control of Dangerous Drugs", by George A. Morlock, see BULLETIN of Nov. 17, 1946, p. 885.

<sup>9</sup>Treaty Series 612.

opium smoking. The United States is a party to the convention signed at The Hague on January 23, 1912 and to the convention limiting the manufacture and regulating the distribution of narcotic drugs signed at Geneva on July 13, 1931.<sup>10</sup> The United States was represented in an expert and advisory capacity at all meetings of the Advisory Committee of the League of Nations on the Traffic in Opium and other Dangerous Drugs, from 1923 to 1940.

In those international conferences and meetings the representatives of the United States have clearly stated that the policy of the United States is to limit the production of the poppy plant and the manufacture of narcotic drugs strictly to medicinal and scientific requirements and to consider use for any other purpose as abuse. Considerable progress has been made towards this goal through the conventions resulting from the conferences and meetings just mentioned.

There remains to be concluded an international convention limiting the production of the narcotic raw materials, namely, the poppy plant, the coca shrub, and the marihuana plant.

The United States has accepted membership on the Commission on Narcotic Drugs of the Economic and Social Council of the United Nations. It is prepared to take an active part in that Commission in the drafting of a convention which will guarantee to the world an adequate supply of opium and its derivatives and of the coca leaf and its derivatives for medicinal and scientific requirements, but with no surplus available for the illicit traffic.

### 3. *Cultural and Educational Cooperation*

What is the United States doing to promote international, cultural, and educational cooperation? While the answer leads me to cite activities carried on through the Office of International Information and Cultural Affairs of the Department of State, it should be recalled that many of these programs are undertaken through collaboration with other agencies of the Government and private groups. The programs are all designed to encourage and strengthen cultural contact, interchange and mutual understanding between the peoples of the United States and other nations.

Activities of the Department's Division of Cultural Cooperation, established in 1938, were originally limited to this hemisphere and included travel and study grants; exchange of professors and books; assistance to United States cultural centers in Latin America, such as libraries, institutes, and schools, and the distribution in Latin America of informational motion pictures and other cultural materials.

Cooperative projects of a technical or scientific nature which have been developed by many agencies of the Federal Government include such programs as the development of vital statistics of the Western Hemisphere, investigation in methods of insect eradication, control of malaria and bubonic plague, studies of educational systems, consultation on principles and practice of library science, cooperation with national agencies of other governments in the development of maternal and child health and welfare services, and technical consultation on matters of industrial safety.

Informational exchange projects made possible the preparation and exchange of information on educational methods, information regarding working conditions and opportunities for women, and the translation and distribution of certain Government publications.

Through the President's emergency fund, the program was extended to China in July 1942 and in the following year to the Near East and Africa where it was directed at strengthening American-founded schools and hospitals in carrying on extension services, especially projects in engineering, public health, and agriculture. Grants-in-aid were given to American institutions in Turkey, Syria, and Liberia. Teachers were sent to Afghanistan at that Government's request. Books and other cultural materials were sent to educational centers in these countries and in Egypt, Iran, Ethiopia, and Morocco.

Looking toward a world-wide program, the Office of International Information and Cultural Affairs also performs the informational activities of this Government abroad. This latter program is carried on through the maintenance of libraries, continuation and expansion of the daily wireless bulletin service to United States diplomatic mis-

<sup>10</sup>Treaty Series 863.

sions, mailed information service, distribution of visual materials depicting all phases of American life, and the operation of short-wave broadcasting covering virtually the entire world.

Since the focal point of the cultural-cooperation program in the foreign country is the cultural-relations attachés assigned to American diplomatic or consular missions, mention should be made here of their activities, through which there is a two-way flow of personnel, publications, and information between this country and the foreign countries.

These attachés maintain liaison and regular contact with local government officials in education, science, health, arts, and other appropriate fields; with representatives of local organizations such as schools, colleges, industrial, scientific, and agricultural groups, community centers and cultural associations; and with intellectual leaders, national and foreign, such as educators, writers, artists, scientists, and scholars.

Complementing the overseas information and cultural activities of the Department of State will be the work of the United Nations Educational, Scientific and Cultural Organization. This Organization has the basic purpose of promoting understanding on a world-wide basis. It will work through and with existing informational and cultural programs—both governmental and non-governmental—of the various United Nations.

It is not conceived of as an international undertaking to promote education, science, and culture as ends in themselves but rather through education, science, and culture to advance the peace of the world.

In accordance with the recent legislation authorizing our participation in UNESCO, a United States National Commission for UNESCO has been appointed. It is made up of one hundred outstanding persons in the fields of science, education, and culture.

The proposals to be advocated by the United States Delegation to the first general conference of UNESCO which opened in Paris on November 19, as recommended by the National Commission for UNESCO, recognize that the concern of the organization is with the relations of men with each

other. It approaches these relations in terms of three kinds of international collaboration: (1) international collaboration for the preservation of men's knowledge of themselves, their world, and each other; (2) international collaboration for the increase of that knowledge through learning, science, and the arts; and (3) international collaboration for the dissemination of that knowledge through education and through all the instruments of communication between the peoples of the earth, in order that understanding may replace the mistrust, suspicion, and fear which lead to war.

#### 4. *Human Rights*

The United States, as a member of the United Nations, is committed to promoting "universal respect for and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion." These aims are in keeping with the traditional American emphasis on the importance of basic freedoms.

The United States Government, through its representatives at United Nations meetings, has supported, and frequently led, moves designed to give effect and international significance to the ideals and principles of human rights enunciated in the Charter. Specifically, we played a major role in the establishment of the Human Rights Commission, with its stated aim to advise and aid the United Nations in promoting respect for and observance of fundamental human rights.

In order to spell out and implement certain aspects of human rights, we took the lead in suggesting a subcommission on freedom of information and the press, and supported a move to establish subcommissions for the protection of minorities and the prevention of discrimination. Thus far these subcommissions have only been authorized. Presumably they will be set up in the near future as means to the end of securing "fundamental freedoms for all without distinction as to race, sex, language, or religion."

Admittedly, serious obstacles stand in the way of the effective translation of these policy objectives into concrete achievements. A statement of policy obviously does not exorcise racial, ethnic, religious, or national intolerance nor guarantee funda-

mental freedoms. The United States is determined, however, working through the United Nations, to move forward to the achievement of these objectives.

### Social Welfare Rights

In more than one way the development of the foreign social policy of the United States is a reflection of the parallel lines of social-welfare developments which have taken place through public and private agencies of this country.

Participation in conferences dealing with social questions has been one of the earliest methods by which this Government shared with other nations its concern in meeting certain social problems.

Because of the gravity and international character of traffic in women and children and because of international conferences on this subject held in 1902 and 1910 the Covenant of the League singled out this subject, together with traffic in opium and other dangerous drugs, for action by international cooperation.

After the first conference called by the League Assembly in June 1921, a permanent advisory committee on traffic in women and children was established which, at its first meeting, recommended that the United States be requested to appoint members to the committee. Although not a member of the League, this Government designated a representative to serve in an advisory capacity.

Attendance at conferences resulted in the desire for continuous exchange of information and experience in fields of common interest. Congressional legislation in 1939 made it possible for qualified United States employees to be detailed, on request, to governments of the American republics, and authorized the President to utilize the services of the departments, agencies, and independent establishments of the Government in carrying out the reciprocal undertakings and cooperative purposes enumerated in the treaties, resolutions, and recommendations signed by all the 21 American republics.

Many of the projects undertaken have been in the field of social welfare. They have included such activities as cooperative programs in training staff for maternal and child-health work, in study-

ing the needs of dependent and delinquent children, in helping to strengthen the social-service training programs, in assisting in the revision of children's codes, and in developing advisory services in the field of social welfare. Pediatricians, public-health nurses, social workers, and nutritionists have been loaned by the Children's Bureau to governments requesting their assistance in developing their own child-welfare programs.

Specialists in the field of social welfare have, with other professional persons, been invited for study and observation in this country. Each one of these programs tells a story which is most convincing as to the value of such programs in terms of developing mutual understanding between peoples.

Consideration is being given currently to the possibility of developing a program of assigning social-welfare attachés to our missions in the principal countries of the world. These attachés would facilitate the exchange of information and experience in the field of social welfare.

Of the Commissions established by the Economic and Social Council the Social Commission undoubtedly will be of first interest to those concerned with social problems.

Eight members, appointed by the Economic and Social Council as a nuclear group, met together at Hunter College, New York, this spring.

The main principles of social policy, as viewed by the Temporary Social Commission, were as follows:

- (a) there is an interdependence of social and economic policy;
- (b) the pursuance of such policy is the duty of the whole community;
- (c) a rise in the material standard of life does not of itself necessarily mean a well-planned social life;
- (d) the beneficiaries of social institutions should participate in the development of social policy.

The Commission recommended that special consideration be given to social problems requiring immediate attention, such as those remaining after the termination of UNRRA. This was also a matter of concern to the UNRRA Council which met last August in Geneva. At that time two resolu-

tions were passed relating to social welfare. They recommended the establishment of an International Children's Fund and the assumption by the United Nations of such UNRRA welfare services as the United Nations might wish to undertake.

The Economic and Social Council adopted resolutions on these same subjects, which were introduced by the United States Delegation. These matters are to be brought before the current meeting of the General Assembly.

When the permanent Social Commission meets the first of next year it will give further consideration to these problems, to the continuation of the work of the League of Nations regarding traffic in women and children, to the carrying out of child-welfare work in cooperation with other international organizations, and to dealing with crime prevention and treatment of offenders. It has also been directed to study the care of special groups, such as children, the aged, and handicapped; and social services in areas which are underdeveloped and in those which have been directly affected by the war. Consideration will also be given to methods of dealing with problems resulting from the termination of UNRRA welfare activities and with the problem of setting up international machinery for housing and town and country planning.

The Social Commission was requested to take steps to create a subcommission on children and to consult with the International Penal and Penitentiary Commission on its future status.

It is thus evident that the Social Commission has a large and important task before it in advising the Economic and Social Council on these many matters.

There are two other Commissions of the Economic and Social Council through participation in which the United States will effectuate parts of its foreign social policy. The Commission on the Status of Women will prepare recommendations and reports to the Economic and Social Council on promoting women's rights in political, economic, social, and educational fields.

The Population Commission will be concerned with population changes, the factors associated with such changes, policies designed to influence these factors, and migratory movements of population.

### Refugees and Displaced Persons

Acute social needs of peoples abroad have for many decades elicited the sympathy and active help of American citizens and their Government. This help has usually been given to those who were victims of catastrophes, such as floods, famines, earthquakes, and plagues rather than to alleviate the long-term social ills of foreign peoples. Early expressions of American interest in distress in other lands have included, in addition to voluntary contributions, Congressional appropriations which were made as early as 1812.

The 1930's saw the development of new needs, as Jews and other persecuted minorities in Europe became victims of the Nazi Government. What began as a relatively small volume of distress soon grew into a flood that swamped all available sources of aid. Action taken by the American people to relieve the extensive and tragic human need was of two general types: that taken by governmental agencies and that by voluntary organizations.

In 1938 the United States Government assumed the initiative in extending an invitation to a number of governments to meet at Évian, France, to assist thousands of refugees who were fleeing from Germany. This Government thought it might be able to do something in association with other governments by way of negotiations with Germany "to improve the present conditions of exodus and to replace them by conditions of orderly migration". The outcome of the Évian conference was the establishment of the Intergovernmental Committee on Refugees which now has 35 member governments and at the present moment is actively engaged in the task of trying to resettle some of the displaced persons of Europe.

In November 1943 UNRRA became the focus for coordinating the activities of military, governmental, and private action to provide relief and rehabilitation to the people of liberated territories in Europe and the Far East. The United States has contributed generously to this program.

At the same time that governmental agencies were being developed to meet the needs of war victims, efforts were also being made to coordinate the work of voluntary social agencies operating abroad. In March 1941 the President appointed

a Committee on War Relief Agencies to examine the whole problem of foreign war relief in relation to local charities and to national-defense welfare needs. On July 25, 1942 the President issued an Executive order establishing the President's War Relief Control Board which was empowered to license war-relief agencies, to require reports, and generally to regulate and control solicitation and disposition of contributions for relief abroad. One of the most important aspects of the Board's supervision of private war relief was the integration of policies, plans, programs, and procedures of voluntary agencies with those of Federal and other governmental or intergovernmental agencies and of the American Red Cross.

The War Relief Control Board was replaced in May 1946 by the Advisory Committee on Voluntary Foreign Aid, which is performing substantially the same functions on a voluntary basis. Between September 1939 and March 1946 voluntary agencies and individuals in cooperation with these two bodies provided over \$600,000,000 of relief to foreign countries.

Many thousands of persons in Europe, the Far East, and other parts of the world who have fled from their former countries of residence either cannot or do not wish to return to their homes because of danger to their lives or liberties or because of race, religion, or political beliefs. Over 850,000 of these so-called displaced persons and refugees are now being cared for in camps in the American zones in Germany and Austria. Principal responsibility for the care and maintenance of these persons falls on our military forces, with UNRRA providing personnel to administer the camps.

This Government holds the view that responsibility for the care and maintenance and the eventual repatriation and resettlement of these displaced persons and refugees should be assumed by an international agency set up under the United Nations. The establishment of such an agency, to be known as the International Refugee Organization, has been the subject of extensive debate and much controversy since the first meeting of the Economic and Social Council of the United Nations held in February 1946. A draft constitution and budget for the International Refugee Organi-

zation has been prepared and presented to the present session of the General Assembly for adoption. It is too early to predict what the outcome will be, but this Government is giving full support to the establishment of the International Refugee Organization.

### Labor

In the field of labor the United States Government, since 1934, has given substantial support to the development of international social standards through its membership in the International Labor Organization—dedicated to the development of social justice as a necessary element in the establishment of universal peace.<sup>11</sup> It is a matter of real significance that in this Organization, which is a major medium for social policy, "the representatives of workers and employers, enjoying equal status with those of governments, join with them in free discussion and democratic decision with a view to the promotion of the common welfare."

In joining the ILO, this Government recognized that "the failure of any nation to adopt humane conditions of labor is an obstacle in the way of other nations which desire to improve the conditions in their own countries".

At the 26th Session of the International Labor Conference in Philadelphia in 1944 this Government joined in the formulation of the Declaration of Philadelphia, which in itself comprises a forthright and forward-looking statement of international social policy.<sup>12</sup>

The International Labor Conference declared that since poverty anywhere constitutes a danger to prosperity everywhere, all human beings, irrespective of race, creed, or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity.

It is sometimes said that the ILO deals with the social aspect of economic problems and the economic aspect of social problems.

As examples of social problems, towards the solution of which the United States is contributing

<sup>11</sup> Treaty Series 874.

<sup>12</sup> BULLETIN of May 20, 1944, p. 481.

through its participation in the ILO, may be cited the nine conventions and four recommendations concerning conditions of employment among seafarers, adopted in June 1946 at Seattle; the three conventions and two recommendations concerning medical examination for employment of children and young workers, and concerning restriction of night work of children and young persons which were adopted at the Montreal conference on October 9, 1946. Reference, too, should be made to the preliminary conclusions reached at Montreal for the establishment of a convention on social policy in non-self-governing territories. Final action on this next year will culminate the important contribution of the ILO, throughout its 27-year history, to improvement of conditions of dependent peoples. The development of principles in the planning of public works and in the prevention of unemployment during the past year represented social progress in economic problems, while the economic aspect of social problems was emphasized in the ILO consideration of the broad field of post-war migration.

The United States Government derives much from the experience of other governments through its participation in the ILO; and, likewise, makes available the fruits of its own experience to help other nations short-cut their way to social progress.

#### Conclusion

This has not been a complete description of the subject-matter of our foreign social policy. I have not described some activities at all or any in detail. I believe, however, that I have indicated its basic content and major directions.

The United States does have a foreign social policy continuously evolving, continuously pushing forward to the achievement of its purpose—the development of cooperative relations among people—the development of mutual understanding—the advancement of human welfare—all for the purpose of maintaining the peace to which we all so earnestly and devoutly aspire.

I am confident that your professional knowledge and experience will bear testimony to the soundness of this program and that you will wish your Government well in the achievement of these purposes.

Before concluding I would like to direct some

of my remarks to you men and women as individuals.

Diplomats, representatives of foreign offices and ministries and departments, not ordinarily as interested in social problems as you, are now concerned—seriously and conscientiously concerned—with these international social problems. Are you equally interested and informed on the relations of these problems to the international economic and political problems with which they are associated?

Are you exercising your prerogative and discharging your responsibility for determining the foreign social policy of your Government? The Department of State recognizes its twofold responsibility in this connection. The first responsibility is to make available as fully and as promptly as possible information on the problems with which it is concerned and the policies it proposes for dealing with those problems. The second is to ascertain as accurately as possible the views of American citizens.

The place of the American citizen in the process is to be well informed, to be critical but understanding, to examine the problems and the possible solutions, to balance arguments, to place long-range values over those of the moment, to place the interests of all above the interests of the few, and to make his conclusions known to his Government. The foreign policy—the foreign social policy—of the United States is ultimately determined by you and the other citizens of our country.

### Myron C. Taylor To Continue Mission to Vatican

[Released to the press by the White House November 23]

I have directed my personal representative, the Honorable Myron C. Taylor, to proceed to Rome for a brief period to resume discussion of matters of importance with His Holiness Pope Pius XII and others in authority. Mr. Taylor will also resume his efforts in respect to the reorganization of the Italian Red Cross and his chairmanship of American relief for Italy.

Mr. Taylor's work as the guiding force and leading spirit in organizing American relief for Italy already has been fruitful of practical results. Italy has been in sore need from the time

of the invasion and during and since the war. Noteworthy among his activities has been his work among youngsters rendered homeless by the ravages of war, along lines comparable with those which have animated Boys Town and other agencies dealing at the present time with the problem of juvenile delinquency in the United States. His hope is that the reorganized Italian Red Cross will become the active medium for all national relief distribution in Italy.

Mr. Taylor's forthcoming mission to Italy will be of short duration—not exceeding thirty days. In resuming his conversations with the Pope he will continue his mission in behalf of peace. His purpose, as on previous missions, will be to obtain for my guidance the counsel and cooperation of all men and women of good-will whether in religion, in government, or in the pursuits of everyday life.

As in the past he and I will, in our labors for peace, continue to welcome the advice of leaders in religion of all convictions and loyalties, however diverse, not only in this country but throughout the world.

### **Convention on Regulation of Inter-American Automotive Traffic**

[Released to the press November 12]

On November 1, 1946 the President proclaimed the convention on the regulation of inter-American automotive traffic which was opened for signature at Washington on December 15, 1943 and was signed on or after that date for the United States of America (subject to a reservation with respect to article XV) and 14 other American republics, namely: Bolivia, Brazil, Chile, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, and Peru. The convention was approved by the Senate on July 25, 1946 and was ratified by the President on August 8, 1946 subject to the reservation with which it was signed.<sup>1</sup>

With the deposit of the United States instrument of ratification with the Pan American Union on October 29, 1946, the United States became the seventh government with respect to which the convention has come into force. Instruments of ratification of the convention were deposited with the Pan American Union by Guatemala on July 6,

1944, Peru on July 25, 1944, the Dominican Republic on August 4, 1944, Nicaragua on August 31, 1944, Brazil on January 8, 1945, and El Salvador on May 22, 1946.

The convention is designed to facilitate and encourage the movement of motor-vehicle traffic between the American republics by simplifying formalities and establishing uniform regulations for international automotive traffic in relation to such matters as registration, driving licenses, standards of size and equipment, and the keeping of records of international automotive traffic.

### **Air-Transport Agreement With the Philippine Republic**

On November 18 the Department of State released the text of a bilateral air-transport agreement between the United States and the Republic of the Philippines which was concluded in Manila on November 16, and which was signed on behalf of the United States by Ambassador Paul V. McNutt and on behalf of the Philippines by Vice President and Secretary of Foreign Affairs Elpidio Quirino.

The body of the agreement is based substantially on the so-called "standard form" drawn up at the Chicago Aviation Conference,<sup>2</sup> while the annex gives a general description of the routes to be operated and provides that both parties shall agree to certain principles and objectives which are taken from the Bermuda air-transport agreement between the United States and the United Kingdom.<sup>3</sup>

In accordance with the Civil Aeronautics Board's Pacific case, the United States airlines which will obtain traffic rights into the Philippines under the new agreement are the Pan American World Airways System on a mid-Pacific route to Manila and beyond, via two route sectors to the Asiatic mainland, and Northwest Airlines over a North Pacific route to Manila via Tokyo and Shanghai. Philippine air services are accorded reciprocal rights for international traffic at Honolulu and San Francisco.

<sup>1</sup> BULLETIN of Jan. 1, 1944, p. 22.

<sup>2</sup> For text of the agreement, see Department of State press release S25 of Nov. 18, 1946.

<sup>3</sup> BULLETIN of Apr. 7, 1946, p. 584.

## United States Economic Policy

### Toward Germany

In a publication entitled *United States Economic Policy Toward Germany*, the Department of State presents a summary of the progress of the American Military Government in effecting an economic program for post-war Germany, in accordance with the spirit of Allied agreements.

Disarmament, reparation, and reconstruction constitute the three main themes of American policy. "The first two are corrective measures: Germany is to be deprived of the economic basis for war and is to compensate the Allies as far as possible for the damage caused by German aggression. The third theme is constructive: Germans are to be 'given the opportunity to prepare for the eventual reconstruction of their life on a democratic and peaceful basis.'"

Copies of this publication, number 2630, may be obtained through the Superintendent of Documents, Government Printing Office, for 40 cents.

## 1944 Sanitary Conventions and 1946

### Sanitary Protocols

#### *Denmark*

The Chargé d'Affaires ad interim of Denmark informed the Acting Secretary of State by a note dated August 22, 1946 of the accession by Denmark to the international sanitary convention, 1944,<sup>1</sup> modifying the international sanitary convention of June 21, 1926,<sup>2</sup> and to the protocol of 1946<sup>3</sup> to prolong the convention of 1944, with the reservation that Greenland and the Farö Islands are exempted from the provisions of the convention. The effective date of accession to the convention

and protocol by Denmark is August 23, 1946, the date of receipt of the note of accession by the Department of State.

#### *Syria*

The Chargé d'Affaires ad interim of Syria informed the Secretary of State by separate notes dated October 26, 1946 of (1) the accession by Syria to the above-mentioned convention of 1944 and protocol of 1946; and (2) the accession by Syria to the international sanitary convention for aerial navigation, 1944,<sup>4</sup> modifying the international sanitary convention for aerial navigation of April 12, 1933,<sup>5</sup> and the protocol of 1946<sup>6</sup> to prolong the convention of 1944. The effective date of accession to those conventions and protocols by Syria is October 31, 1946, the date the notes of accession were received by the Department of State.

The two 1944 conventions and the two 1946 protocols were opened for signature in Washington on December 15, 1944 and April 23, 1946, respectively.

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#### ILO Committee—Continued from page 1002

tional Outlook Branch, Bureau of Labor Statistics, Department of Labor, Washington, D.C.

Murray Ross, Assistant Chief, International Labor Organizations Branch, Division of International Labor, Social and Health Affairs, Department of State, Washington, D.C.

#### REPRESENTING THE EMPLOYERS OF THE UNITED STATES

##### *Members*

Vincent P. Ahearn, executive secretary, National Sand and Gravel Association, Washington, D.C.

Edward P. Palmer, president, Senior and Palmer, New York, N.Y.

#### REPRESENTING THE WORKERS OF THE UNITED STATES

##### *Members*

C. J. Haggerty, representative, International Union of Wood, Wire and Metal Lathers, San Francisco, Calif.; president, California State Federation of Labor.

Charles Johnson, Jr., vice president, United Brotherhood of Carpenters and Joiners of America, New York, N.Y.

<sup>1</sup> Treaty Series 991.

<sup>2</sup> Treaty Series 762.

<sup>3</sup> Treaties and Other International Acts Series 1551.

<sup>4</sup> Treaty Series 992.

<sup>5</sup> Treaty Series 901.

<sup>6</sup> Treaties and Other International Acts Series 1552.

## Report of the Mission on Japanese Combines

Zaibatsu—the money clique—is held to be largely responsible for the monopolistic tenor of the Japanese foreign policy since the Meiji restoration. The Mission on Japanese Combines, which remained in Japan from January to March of this year under the auspices of the State and War Departments, was assigned the task of recommending standards, policies, and procedures for carrying out a basic occupation objective—destruction of the Zaibatsu.

The Department of State has published Part I of the report of that mission, under the title, *Report of the Mission on Japanese Combines* (publication 2628). Part I presents analytical and technical data covering the findings of the mission, and may be secured from the Superintendent of Documents, Government Printing Office, for 75 cents.

## THE DEPARTMENT

### Appointment of Officers

Julian F. Harrington as Director, Office of the Foreign Service, ex officio, effective November 13, 1946.

H. P. Martin as Deputy Director, Office of the Foreign Service, effective November 13, 1946.

Acting Secretary Acheson announced on November 25 the appointment of Hamilton Robinson as Director of the Office of Economic Security Policy to fill the position made vacant by the resignation on September 15 of John K. Galbraith. This Office is responsible for advising the Secretary of State concerning economic policies in occupied areas, namely, Germany, Austria, Japan, and Korea, and for the Department's activities relating to economic security controls.

## Departmental Regulations

In the Departmental Regulations published in the BULLETIN of June 30, 1946, the following revisions, effective October 15, 1946, should be noted:

The Office of the Adviser on Air Law has been redesignated Office of the Aviation Adviser (131.11).

The Shipping Law and Treaties Section has been redesignated Shipping Agreements Section (131.12).

The Telecommunications Law and Agreements Section has been redesignated Telecommunications Agreements Section (131.13).

### 193.2 Inter-American Educational Foundation, Inc. (IAEF): (Effective 5-20-46)

**I FUNCTIONS.** The Foundation was formed to further the general welfare of and to strengthen the bonds between the peoples of the Western Hemisphere by undertaking and carrying out an inter-American educational program; and is carrying out the cooperative programs entered into under agreement with the other American republics in the field of education.

### II ORGANIZATION, MANAGEMENT, AND RELATION TO THE DEPARTMENT.

**A** The Foundation is a membership corporation formed under the Laws of Delaware, and has no capital stock. The members, in addition to the three named in the certificate of incorporation and their successors, are designated by the Secretary of State and they in turn elect directors from their own number. The Secretary has designated as members of the Foundation Assistant Secretaries Braden (Chairman), Benton, Clayton, and Russell, together with a representative from the Office of each of the above-mentioned Assistant Secretaries, and two operating officials of the Foundation. Each of the members has been made a director. The Executive Committee is composed of the President of the Foundation and the representatives from the offices of the Assistant Secretaries.

**B** The Board of Directors has full management of the affairs and property of the Foundation and elects the officers of the corporation. The officers carry on the Foundation's operations in accordance with the policies and resolutions of the directors. The Executive Committee acts on all policy matters between meetings of the Board. The administrative services (personnel, legal, fiscal, budget, general office service, and so forth), and other general services of the Foundation, are performed in the United States and in the other American republics by the facilities of the Institute of Inter-American Affairs.

**C** Existing liaison relationships and communication channels between the Foundation and the offices of the Department have not been changed by the termination of the Office of Inter-American Affairs; all formal policy communications between the Department and the Institute clear through the Office of the Assistant Secretary for American Republic Affairs.

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## Contributors

*G. Bernard Noble* prepared his article on American policy in the Far East in consultation with John Carter Vincent, Director of the Office of Far Eastern Affairs, Department of State. Dr. Noble is Chief of the Division of Historical Policy Research in the Office of Public Affairs, Department of State.

*Victor J. Farrar* and *Gustave A. Nuermberger* are Research Assistants in the Foreign Relations Branch, Division of Historical Policy Research, Office of Public Affairs, Department of State.

# The Department of State

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*December 8, 1946*



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*The Department of State* bulletin

VOL. XV, No. 388 • PUBLICATION 2705

December 8, 1946

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, 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 NATIONALIZATION PROGRAM IN CZECHOSLOVAKIA

by Miriam E. Oatman

*More than a year ago Czechoslovakia enacted laws to nationalize mines, important industries, food enterprises, banks, and insurance corporations. These laws provided for compensation to owners, with the exception of such groups as Germans, Hungarians, and Czechoslovak collaborators or traitors. American property to the amount of \$30,000,000 to \$50,000,000 was nationalized. Negotiations for compensation are still in progress.*

### Scope and Background of Nationalization

The recent nationalization measures in Czechoslovakia are far-reaching in scope. It is reported that about 65 percent of the country's total industrial capacity is included in the larger enterprises which have been transferred to Government ownership and control.<sup>1</sup> Key industries, such as mining, metallurgy, heavy engineering, and public utilities, as well as all joint-stock banks and private insurance companies have been nationalized completely.

Through the nationalized sector the state will dominate the remainder of the economy. Its control over the economy may be expected to increase further as a result of: (1) concentration of future industrial development in the nationalized industries and generally in large plants; (2) existing restrictions on the establishment of new private enterprises in nationalized industry; (3) discouragement of private investment in other

industries because of fears of further nationalization.

The enactment of the nationalization measures at this time was due to a combination of political and economic factors. For many years there has been a strong leftist movement in Czechoslovakia. The Communists and Social Democrats, who have dominated the bloc of parties in control of the Government since its return from exile, both advocate a considerable degree of state ownership. Even the two parties to their right have accepted, with more or less reluctance, the view that a certain amount of nationalization is inevitable.

The economic situation of Czechoslovakia after her liberation, though less desperate than that of

<sup>1</sup> News flashes from Czechoslovakia, Mar. 15, 1946.

[EDITOR'S NOTE: This is the second in a series of articles on the nationalization programs in various European countries. The first article, on the Polish nationalization law, appeared in the BULLETIN of Oct. 13, 1946, p. 651.]

most other European countries, gave added impetus to the nationalization proposals. Even before the war Czechoslovakia's industry was highly centralized and tied closely to the banking system. During the war, the German occupants took over the two most important banks and all their assets. The Germans also acquired large interests through the confiscation of Jewish and foreign capital. After the surrender of the German Army, many of the leading enterprises were left not only without owners but also without managers. In many instances, operations were continued by workers' councils aided by political organizers. The workers' councils were later recognized in several presidential decrees providing for state control over "masterless enterprises" formerly owned by Germans, Hungarians, or Czech collaborators. It is probable that the difficulties and delays involved in the restoration of property rights, the general disorganization of the Czechoslovak economy, and the problems of reconversion and ultimate development of industry, have been important contributory factors in prompting nationalization.

### First Steps Toward Nationalization

As early as May 19, 1945 a presidential decree provided for state control over "masterless enterprises" that had been in the hands of Germans or Hungarians, or of Czechoslovak collaborators. Another decree provided for state confiscation of "all land, buildings, livestock and implements formerly belonging to the German and Hungarian gentry, or to large estate owners irrespective of their citizenship." Since the confiscated land is being sold on easy terms to small farmers and farm laborers, nationalization is not permanent in this case.

<sup>2</sup> The citations of these decrees are: decree on nationalization of mines and industries, *Code of Laws and Ordinances of Czechoslovakia*, no. 100/45; decree on nationalization of food industry, *ibid.*, no. 101/45; decree on nationalization of joint-stock companies engaged in banking and finance, *ibid.*, no. 102/45; decree on nationalization of insurance companies, *ibid.*, no. 103/45.

<sup>3</sup> The average in this and several other instances is to be reckoned between the dates of Jan. 1, 1942 and Jan. 1, 1944. In some cases, the period from Jan. 1, 1938 to Jan. 1, 1940, or that from July 1, 1938 to July 1, 1940, is used as a basis.

### The Nationalization Decrees of October 1945

For several months the Government of Czechoslovakia discussed the possibilities of further nationalization. On October 27, 1945 it issued four decrees (dated October 24, 1945) which embodied the results of its deliberations. The following branches of the economy were thereby nationalized: (1) all mines and many industries; (2) several lines of industry concerned with food; (3) joint-stock companies engaged in banking and financial transactions; (4) private insurance companies.<sup>2</sup> A brief account will be given of the principal features of this important legislation.

#### *Nationalization of Mines and Industries*

The decree on the nationalization of mines and industrial enterprises, which is the first of the series and is a model for the others in certain respects, provides that on the day of promulgation the following shall be nationalized: all mines operated under public mining regulations; all power plants serving the public with gas, electricity or steam, except those operated solely for the use of non-nationalized industrial enterprises; iron and steel works and rolling mills; non-ferrous metal works, except independent ones not included in a combine or trust; foundries for pig iron, wrought iron, steel, and non-ferrous metals averaging 400 or more employees<sup>3</sup>; presses, rolling mills, and wire-drawing plants, except those which work only lead and tin; mechanical engineering works, electrical engineering works, and optical and precision-instrument works averaging more than 500 employees; armament and munitions plants; chemical industries equipped to manufacture acids, alkaline cyanides, water glass, matches, artificial fertilizers, methyl alcohol from wood tar, benzene and its homologues, oils (by distillation, cracking, or synthesis), artificial sweetenings, fibers, synthetic rubber, automobile and bicycle tires; pharmaceutical plants; mines and deposits of magnesite, asbestos, china clay, mica, feldspar, valuable heat-resistant clays and earths; factories manufacturing cement and mortar; factories of technical porcelain and asbestos cement averaging more than 150 employees; glass works equipped for continuous production or

having a capacity of at least 1,000 liters a day; limestone quarries and plants producing building and technical ceramics, glazed tiles, porcelain, and lime averaging more than 150 employees; brickworks averaging more than 200 employees; cellulose factories; enterprises manufacturing paper and cardboard, paper and pulp, pulp and cardboard, or all three, averaging more than 300 employees; sawmills averaging more than 150 employees; veneer factories averaging more than 300 employees; plywood factories; cotton spinning mills, carded and combed yarn spinning mills, spinning mills for flax, jute, and artificial fibers averaging more than 400 employees; cotton weaving works averaging more than 500 employees; mills spinning textile waste, plants manufacturing bandaging materials, and mills weaving hemp, flax, and jute averaging more than 400 employees; textile printing works averaging more than 200 employees; clothing factories averaging more than 600 employees; tanneries and factories for leather and leather substitutes averaging more than 400 employees; plants manufacturing gramophone records.

Enterprises operated by cooperative associations are not affected by this decree. The same holds for enterprises specifically exempted by the Government on the suggestion of the Minister of Industry and enterprises which the same Minister decides to exempt in order that they may be closed down.<sup>4</sup>

Subject to specific exceptions, compensation will be paid for nationalized property. This compensation will equal the current value of the property at the time of nationalization, after the deduction of liabilities.<sup>5</sup> In arriving at the amount of compensation, however, no account will be taken of the value of unexploited deposits of raw materials, mining rights, or property devoted to social, educational, and similar purposes.

No compensation will be paid for any nationalized property which at the end of the occupation, or later, belonged to: (1) the German Reich, the Kingdom of Hungary, public persons under German or Hungarian law, the Nazi and Hungarian political parties and related organizations, or German or Hungarian corporations; (2) German and Hungarian nationals, except those loyal to Czecho-

slovakia who participated in its fight for freedom or suffered under the occupant; (3) natural persons who acted against the authority or unity of Czechoslovakia, its democratic-republican form of government, or its safety and defense; or who induced others to act in such ways; or who consciously supported the German and Hungarian occupation authorities; or who earlier (during the period of danger defined by law) promoted Germanization or Magyarization in Czechoslovakia; or who acted against the interests of the Czechoslovak state or of the Czech and Slovak nations; (4) persons who on the part of their business managers tolerated activities of the kind just described; (5) legal persons—that is, corporations, and so forth—which engaged in or tolerated such activities, so far as the natural persons who are their members have not exercised sufficient caution and good judgment in their direction.

Certain adjustments and allowances may be made by the Government even though full compensation is denied. An important paragraph, which may be of particular interest to American shareholders, provides that if compensation is refused to a legal person, natural persons having a capital interest therein, who do not belong to the categories of collaborators, traitors, and the like, named in the preceding, are to be compensated in proportion to their shares.

Compensation will be paid in the form of government bonds, cash, or other values. An economic fund of nationalized property is to be set up in Prague to handle compensation matters. In all four decrees, the same fund is entrusted with this function. The bonds which it issues in compensation for nationalized property are to be amortized by the excess profits of national enterprises. The payment of interest and the amortization of the bonds are guaranteed by the Government.

National enterprises, which take the place of the undertakings transferred to the state, are formally

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<sup>4</sup>In Slovakia, the Commissioner of Industry must be consulted in both cases, as well as the Commissioner of Finance in the second instance.

<sup>5</sup>This does not necessarily mean that liabilities will be honored. Paragraph 5 of the decree provides for certain adjustments and settlements, but says definitely that the state does not guarantee the obligations of nationalized enterprises.

established by ministerial order. One or several of the nationalized plants or enterprises compose the original capital of a national enterprise. A manager and a managing committee administer each separate national enterprise according to business principles. The managers, their deputies, and a part of the members of the managing committees are appointed by an over-all organization known as the Central National Authority for a given industry.<sup>6</sup> The function of this organization is "to ensure uniform direction and businesslike management of the common interests of the national enterprises". The degree of true managerial responsibility exercised by either the Authorities or the managers of individual enterprises is apparently quite limited, since article 23 of the decree states: "The Government will issue detailed regulations for national enterprises and Central and Regional Authorities, especially on their commercial policy, accounting, use of profits, relation of employees to the enterprise, supervision, the agenda and decisions of the managing committee, the responsibility of the manager and of the members of the committee, et cetera".

#### *Nationalization of Food-Processing Enterprises*

The second of the four basic nationalization decrees provides for the taking over by the state of the following branches of the food industry: sugar factories and refineries; industrial distilleries and spirit refineries; breweries with an output of more than 150,000 hectoliters of beer in 1937; flour mills with a capacity of at least 60 tons of grain a day; margarine factories averaging more than 150 employees; chocolate and confectionery factories averaging more than 500 employees. Certain exemptions are provided, especially enterprises operated or owned by co-

<sup>6</sup> In Slovakia, which has a considerable degree of independence, a regional authority will be set up where needed.

<sup>7</sup> As elsewhere, there are special arrangements for Slovakia.

<sup>8</sup> *Code of Laws and Ordinances of Czechoslovakia*, no. 102/45, art. 11, par. 2. No reason is given for allocating the excess profits of banks to the Treasury rather than the Economic Fund of Nationalized Property.

<sup>9</sup> In Slovakia, the Council acts through a subordinate Regional Insurance Council.

operative associations, and agricultural joint-stock sugar factories and refineries in which the majority of stock is held by small sugar-beet farmers.

The nationalized food enterprises are to be set up as national enterprises. Each one is to have a manager and a managing committee, under the general supervision of a national or regional authority. Employees and sugar-beet farmers are to have shares in sugar factories and refineries, and employees and local authorities are to have shares in breweries. The state is also a shareholder. The compensation provisions in the decree on mines and industries are made applicable where appropriate.

#### *Nationalization of Joint-Stock Banks*

Joint-stock companies engaged in banking and financial transactions are nationalized and transformed into national enterprises. Banks as national enterprises, though state property, are organized as individual corporations and are registered exactly as if they were private firms. Each bank is managed by a managing committee (consisting of a chairman, vice chairman, and five other members) and supervised by a supervisory board. Current business is handled and decisions are carried out by a manager appointed by the Minister of Finance on the motion of the Central Administration for Banks.<sup>7</sup>

The banks must be operated according to the principles of commercial enterprise. After adequate provision has been made for reserve funds, the excess profits of banks are to go to the Treasury.<sup>8</sup>

Compensation will be paid to holders of the original stock of joint-stock banks according to rules and subject to exceptions very similar to those established by the decree on mines and industries.

#### *Nationalization of Private Insurance Companies*

All private insurance interests in the territory of the Czechoslovak Republic are transferred to state ownership. Each company is set up as a national enterprise to be operated according to commercial principles. An Insurance Council is set up in Prague for the uniform control of all insurance business other than social insurance.<sup>9</sup>

The administration of each company is in the hands of a managing committee. This committee appoints the necessary number of managers of the company, subject to the approval of the Council.

Compensation for property losses caused by nationalization will be paid according to principles practically identical with those already described.

#### **American Interests in Nationalized Property**

The amount of property nationalized in Czechoslovakia, ownership of which was vested in nationals of the United States, is not exactly known. Estimates made by various sources range from \$30,000,000 to \$50,000,000. Perhaps twice as much American property located in Czechoslovakia consists of real estate, currency, jewelry, personal effects, and the like, which have not been nationalized.

In January 1946 the Czechoslovak Government announced that: (1) the matter of compensation for nationalized enterprises in which foreign capital is invested will be negotiated directly with the governments of the owners; and (2) the Ministries of Finance and Industry plan to reimburse the owners of such capital in 3 percent government bonds. It also stated in a note to the American Ambassador that it had taken measures to ascertain the value of concerns containing foreign capital; and it asked the aid of the Embassy in drawing up a complete list of enterprises in which an American interest exists, as well as the amount and present value of each interest and the date of acquisition. Two hints as to policy were contained in this note: (1) a suggestion that since compensation is to be paid out of a special fund accruing from the excess profits of nationalized concerns, the question of compensation depends partly upon the facilities granted to Czechoslovak export trade; and (2) a remark indicating that there may be a difference between cases representing genuine foreign investments and those which are really an export of Czechoslovak capital (property of *émigrés*, et cetera).

Official inquiries were started to determine the means by which claimants could actually obtain compensation. In a note dated May 7, 1946 the

Czechoslovak Ministry of Foreign Affairs informed the American Ambassador that it still lacked "sufficient reliable data concerning foreign capital investments in nationalized undertakings . . . to draw up a list of such holdings". It also stated that compensation is due to the former owner, for example, a joint-stock company, but not to individual shareholders. The parties to the compensation proceedings will be the companies and corporations (against which individual shareholders will be able to press claims).

Reference was also made to the provision in article 10 of the decree on the nationalization of mines and industries that proceedings on compensation shall be governed by the rules of the decree of January 13, 1928 on the jurisdiction of the administrative authorities. This provision means that the Czechoslovak Government intends to have claims for compensation arising out of the nationalization of property decided, not by the civil courts but on the basis of hearings before an administrative agent or agency. A special section in the Ministry of Foreign Affairs has been established to receive foreign claims and to expedite their handling. Such administrative hearings have a strong resemblance to regular judicial proceedings, and the decree in question endeavors to protect all the usual rights of parties. Arrangements of this kind are usual in most parts of Europe when the state or any part of the administration is one of the parties.

Inquiries were made as to the formalities necessary to the instigation of proceedings to obtain compensation, and most of the points raised in this connection have now been settled. Meanwhile, a law dated May 15, 1946 but published on June 18, 1946 has had a discouraging effect upon claimants. This law provided for a war-profits tax and a capital levy which will have the effect of reducing the amounts paid in compensation.

In the last few months the Governments of the United States and Czechoslovakia have been discussing procedures and principles for compensating American owners of properties nationalized by Czechoslovakia. No agreement, however, has yet been reached beyond the general assurance given in the exchange of notes between the two Governments on November 14, 1946 that adequate and effective compensation will be made.

## SIXTH SESSION OF THE COUNCIL OF UNRRA

by David Persinger

*The UNRRA Council will meet on December 10, 1946 in Washington to plan the completion of its operations. Decisions will be affected by action of the United Nations on plans for relief in 1947 and on the establishment of the International Refugee Organization to care for displaced persons. Legality of the proposed transfer to the Children's Fund of UNRRA's remaining assets has been questioned. The Council must elect the successor to Director General La Guardia, who plans to resign.*

The Council of UNRRA is scheduled to hold its sixth session at the Shoreham Hotel in Washington beginning December 10. The date was selected in order to have ample time to finish the session before Christmas but at the same time in the hope that a number of the problems referred to below will have been settled in the United Nations meeting now being held in New York.

Under Secretary William L. Clayton is the United States member of the Council, and C. Tyler Wood, Special Assistant to Assistant Secretary Thorp, and Dallas W. Dort, Adviser on Relief and Rehabilitation, are, respectively, Mr. Clayton's First and Second Alternates. With few exceptions, the advisers to Mr. Clayton will be the same as those who were members of the delegation to the fifth session of the Council held at Geneva last August.

It is anticipated that this may be the concluding session of the UNRRA Council, and the problem of

how to wind up UNRRA's affairs will probably be the main issue discussed. It was decided at Geneva that UNRRA was to seek to conclude its various supply programs by the end of this year (by the end of March in the case of the Far Eastern programs), with an allowable "slip over" of 30 to 60 days, and its displaced-persons program by the end of June of next year. Therefore, with only a few months of operations left, the principal problem remaining is that of liquidating UNRRA's funds, property, and personnel in an orderly fashion and within a reasonable time.

In this connection, the problem of how necessary relief will be made available in 1947, which is currently under discussion in the General Assembly of the United Nations, is of direct interest to the UNRRA Council. If the U.S. proposal for bilateral agreements between the supplying and receiving countries is adopted, there will be nothing to prevent the prompt wind-up of UNRRA's

affairs—unless it be the problem of displaced persons discussed hereafter. On the other hand, if an international relief program for 1947 along the lines proposed by Director General La Guardia is adopted by the United Nations, it may be that it will be coordinated with the terminating UNRRA programs in such a way that an immediate wind-up of UNRRA's operations will not be feasible. It is still too early to say what plan will be adopted.

The discussion in the General Assembly of next year's relief problem has not always made clear to the general public that, although UNRRA has aimed at concluding its shipments to Europe by the end of 1946, some very large tonnages are expected to be shipped to Europe in January and February. These latter shipments will consist largely of industrial rehabilitation materials, whereas the relief needs for next year which are being considered are exclusively foodstuffs.

The other continuing phase of UNRRA's operations is the care of displaced persons. The Council at its fifth session directed UNRRA to continue this work until the end of June of next year and expressed the hope that the International Refugee Organization would be effectively operating by that time. The IRO is now under lengthy discussion at the U.N. meeting, and it appears entirely possible that it will not be in a position to take over all of UNRRA's operations by the time UNRRA is required to end them. If such a condition should eventuate, the United States will be in the position of having to continue the care of the displaced persons in its zones in Germany and Austria and to contribute largely to the care of displaced persons in Italy without assistance from other nations.

Meanwhile the U.S. Army, which has been furnishing the basic supplies for displaced persons in the U.S. zone in Germany, must continue to do so as long as UNRRA continues to operate there, and the U.S. Army in Austria must begin to do the same as soon as the UNRRA food program for Austria is completed, an event which will occur in January or February of 1947. It has not yet been decided how basic supplies will be provided for displaced persons in Italy at the conclusion of the UNRRA supply program.

The UNRRA Council, at its sixth session, will receive reports from the Director General concerning the state of transfers of its health functions to the World Health Organization, of its welfare functions to the U.N., and of its authority over the disposition of the proceeds of local sales of UNRRA supplies to an appropriate body of the United Nations.

Another transfer which was proposed by the Council at Geneva appears to have encountered certain difficulties. In Resolution 103 it was proposed that the UNRRA funds remaining at the conclusion of UNRRA's operations should be placed in an international fund for the relief and rehabilitation of children and adolescents.

The United Nations General Assembly has been considering at some length the establishment of such an international children's fund. It has not yet been determined, however, if the Congressional legislation which authorized the United States to participate in UNRRA and which appropriated funds for UNRRA will permit any funds which may remain to be transferred by UNRRA to another international organization such as the proposed fund.

Furthermore, it is possible that full consideration has not yet been given to the practical aspects of such a proposal, notably the probable delay in the transfer of funds which UNRRA may have authority to transfer. It seems very likely that UNRRA's liabilities will not have been finally and fully determined for at least a year after all UNRRA operations have ceased. If the fund is intended to benefit the children and adolescents of the liberated areas of Europe and the Far East prior to the close of 1948, it may be that they will receive little benefit from UNRRA funds.

The last item to come before the sixth session of the Council will be the resignation of Director General La Guardia and the selection of his successor. The selection of a new Director General will necessarily depend in a considerable measure upon the final outcome of the discussions in U.N. of the problems mentioned above. The type of individual who would prove most efficient in winding up UNRRA's operations would not be the type most needed if UNRRA is to continue its operations for any appreciable time.

## TWENTY-NINTH SESSION OF THE INTERNATIONAL LABOR CONFERENCE

*An Article*<sup>1</sup>

*Delegates representing 46 national governments gathered at Montreal in September 1946 for the Twenty-ninth Session of the International Labor Conference. The work of the Conference centered largely about the approval of a draft agreement between the United Nations and the International Labor Organization, a revision of its constitution, and the preparation of resolutions, recommendations, and conventions designed to further social progress and improve working conditions.*

The Twenty-ninth Session of the International Labor Conference, which met at Montreal, Canada, from September 19 to October 9, 1946, was the second session held during 1946.<sup>2</sup> It was attended by delegates representing 46 of the member states of the Organization. Thirty-five of the delegations were "complete", comprising two government delegates, one management delegate, and one labor delegate. The United Nations, the United Nations Relief and Rehabilitation Administration (UNRRA), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Intergovernmental Committee on Refugees (IGCR), and the Provisional International Civil

Aviation Organization (PICAO) were represented by observers.

The Conference elected as its president Humphrey Mitchell, Canadian Minister of Labor, and the following vice-presidents: A. M. Joekes, Netherlands Government Delegate; Sir John Forbes Watson, United Kingdom employers' delegate; and Carlos Fernández Rodríguez, Cuban workers' delegate. Edward Phelan, Director General of the International Labor Office, acted as Secretary General. The Conference was addressed by Trygve Lie, Secretary-General of the United Nations; George Isaacs, British Minister of Labor and National Service; Henri Laugier, Assistant Secretary General of the United Nations; and Jan Stanczyk, Director-General of the Department of Social Affairs, United Nations.

The agenda for the Twenty-ninth Session comprised the following six items: (1) Director's re-

<sup>1</sup> Prepared by the Division of International Conferences in collaboration with the Division of International Labor, Social and Health Affairs, Department of State.

<sup>2</sup> The Twenty-eighth Maritime Session met at Seattle, Wash., June 6-29, 1946.

port; (2) reports on the application of conventions; (3) constitutional questions; (4) budgetary and financial matters; (5) protection of children and young workers; and (6) minimum standards of social policy in dependent territories. On each of these items the Conference had before it one or more reports prepared by the International Labor Office. With the exception of the Director's report, these were referred by the Conference to committees established for each of the agenda items, the committees in turn reporting to the Conference in plenary sitting. Senator Elbert D. Thomas, one of the two United States Delegates, served as chairman of the Committee on Minimum Standards of Social Policy in Dependent Territories.<sup>3</sup> In addition, the Conference set up a Selection (or Steering) Committee, a Credentials Committee, a Resolutions Committee, a Standing Orders Committee, and a Drafting Committee.

Seven plenary sessions were devoted to a discussion of the Director's report, which dealt with immediate peace problems, international economic collaboration, the organization of employment, and the activities of the Organization since the Twenty-seventh Session of the Conference held at Paris in October–November, 1945. Sixty-six speakers from 34 countries participated in the discussion, with Mr. Phelan replying in an address delivered at the fifteenth plenary sitting.

On the recommendation of the various committees, the Conference adopted an instrument for the amendment of the constitution of the Organization, four international labor conventions, two recommendations, and 14 resolutions. These decisions brought to 80 the total of conventions adopted by the Organization to date, and also to 80 the total of recommendations adopted to date. Fifty of the conventions are currently in force. As of November 1, 1946 the total number of ratifications of the various conventions was 922.

The Conference also approved a draft agreement between the United Nations and the International Labor Organization which will come into effect when it has been given similar approval by the General Assembly of the United Nations. The agreement defines the terms of the relationship between the two organizations, and under it the United Nations recognizes the ILO as a specialized

agency "responsible for taking such action as may be appropriate under its basic instrument for the accomplishment of the purposes set forth therein."

In addition, the Conference adopted a report of the Committee on the Application of Conventions, seven reports of the Selection Committee, five reports of the Credentials Committee, a report of the Finance Committee of Government Representatives, a report of the Committee on Standing Orders, and a report of the Resolutions Committee.

On the recommendation of the Finance Committee of Government Representatives the Conference approved a budget for the 1947 operations of the Organization of 16,052,980 Swiss francs (approximately \$3,733,000 in U. S. currency). The budget will be allocated among 51 states.

The Credentials Committee considered the objections against the credentials of the workers' delegates and advisers of India and Greece. It unanimously found those of the Indian workers' delegate and his advisers to be in order but submitted majority and minority reports on the objection against the Greek workers' delegation. The Conference approved by a vote of 40 to 36 the majority report, which rejected the objection.

On the recommendation of the Committee on Standing Orders, the Conference approved a number of changes in the standing orders of the Conference. These amendments gave statutory character to the practice under which official translations of speeches into Spanish are furnished by the secretariat, and documents of the Conference and the stenographic record are published in Spanish as well as English and French, the official languages of the Organization.

Two resolutions on matters outside the agenda of the Conference were approved. One of these asked the Governing Body of the Organization to consider the desirability of placing on the agenda of a forthcoming session of the Conference the question of the social problems of indigenous populations of independent countries. The other placed the Conference on record as paying tribute to "those brave people who suffered and especially to the millions who died in the struggle for freedom and liberty" and as asking "all member governments to develop and strengthen their democratic

<sup>3</sup> For membership of U. S. Delegation, see BULLETIN of Sept. 29, 1946, p. 573.

institutions and social principles in accordance with the Atlantic Charter and the Declaration of Philadelphia to prevent the reappearance of Fascist exploitation everywhere”.

On the recommendation of the Committee on Constitutional Questions, the Conference unanimously adopted an Instrument for the Amendment of the Constitution of the International Labor Organization, 1946. This instrument embodied a large number of amendments to the constitution which will come into effect with ratification or approval of the instrument by two thirds of the member states of the Organization, including five of the eight states which hold non-elective seats on the Governing Body as states of chief industrial importance. The effect of the more important of these amendments is (1) to add the promotion of the objects set forth in the Declaration of Philadelphia to the purposes of the Organizations; (2) to delete all references to the League of Nations; (3) to facilitate cooperation between the Organization and the United Nations; (4) to clarify and give greater recognition to the position occupied by the Governing Body; (5) to change the title of Director of the International Labor Office to Director General; (6) to require a two-thirds vote of the Conference to waive the suspension of voting rights of states in arrears in their contributions; (7) to increase the obligations of the member states in respect to action on international labor conventions; (8) to clarify the obligations of member states in respect to recommendations; (9) to clarify the obligations of federal states in respect to conventions and recommendations; (10) to improve the procedure for the application of conventions to non-metropolitan territories; and (11) to empower the Governing Body to recommend to the Conference measures to secure compliance with the terms of ratified conventions.

On the recommendation of the Committee on Constitutional Questions, the Conference also adopted (1) a convention for the partial revision, in consequence of the dissolution of the League of Nations, of the conventions adopted at the previous 28 sessions of the Conference; (2) a series of final articles concerning ratification and denunciation procedure to be inserted to future conventions; (3) a model clause concerning measures to secure compliance with the provisions of conven-

tions for inclusion in future conventions; (4) a resolution referring to the Governing Body for further consideration the preliminary text of a proposed convention on the privileges and immunities of the Organization; (5) a resolution urging the prompt ratification of the Instrument of Amendment, 1946; (6) a resolution applying immediately certain provisions of the Instrument of Amendment, 1946, including the provision changing the title of Director of the Office to Director General.

At the eighteenth plenary sitting, Mr. Edward Phelan informed the Conference that the Instrument for the Amendment of the Constitution, 1945, adopted at the Twenty-seventh Session of the Conference in Paris, had come into force, ratifications or acceptances having been received from three quarters of the member states of the Organization.

In his reply to the debate on the Director's report, Mr. Phelan announced that the International Labor Office was not leaving Montreal, although many of the headquarters staff would be transferred this winter from the overcrowded offices there to the ILO Building at Geneva. He pointed out that the Organization, under the terms of the agreement with the United Nations, had agreed to consult the United Nations before making any decision in regard to its permanent headquarters. He also pointed out that, under the amended constitution, the Conference was empowered to fix the seat of the Organization.

On the recommendation of the Selection Committee, the Conference unanimously expressed the hope that Lebanon, Nicaragua, and El Salvador would “forthwith communicate to the Director their formal acceptance of the obligations of the Constitution of the Organization and will be represented as Members of the Organization at the 30th Session of the Conference.” The Committee pointed out that the three states had made application for membership in the Organization and that as members of the United Nations they were entitled, under the terms of the constitutional amendment which had come into force, to become members by stating their acceptance of the obligations imposed by the constitution.

In addition to the conventions and resolutions referred to above, the major decisions of the Conference may be summarized as follows:

*International labor conventions:* Convention concerning medical examination for fitness for employment in industry of children and young persons; convention concerning medical examination of children and young persons for fitness for employment in non-industrial occupations; and convention concerning the restriction of night work of children and young persons in non-industrial occupations.

*Recommendations:* Recommendation concerning the medical examination for fitness for employment of children and young persons; and recommendation concerning the restriction of night work of children.

*Resolutions:* Resolution concerning the placing of certain questions with regard to non-self-governing territories on the agenda of the next session of the International Labor Conference; resolution concerning freedom of labor; resolution concerning action by the Governing Body; resolution concerning the extension of medical examination to young agricultural workers; resolution concerning the adoption of the revised statute of the administrative tribunal; resolution confirming the terms of office of the judges of the administrative tribunal for three years; resolution concerning the adoption of the revised staff pension regulations; resolution concerning the contributions payable to the pension fund in 1947.

The conventions and recommendations summarized above are described in more detail in the sections which follow.

*Convention Concerning Medical Examination for Fitness for Employment in Industry of Children and Young Persons*

This convention provides that young persons under 18 years of age working in industrial undertakings (exclusive of agricultural and maritime occupations) shall not be admitted to employment unless they have been found fit to work by a thorough medical examination, to be administered by a qualified physician. The continued employment of young persons under 18 years of age shall be subject to the repetition of medical examination at least yearly. The convention provides that medical examinations shall be required until at least the age of 21 years in occupations involving high health risks. The examination shall be without charge to the young person or his parents.

Appropriate measures shall be taken by the competent authority for vocational guidance and physical and vocational rehabilitation of those found to be unsuited to certain types of work or to have physical handicaps. It permits the issuing of temporary work certificates in special cases where a young person is found to be unfit. It makes special provisions for India and other countries where it is found impracticable at present to enforce fully its terms. It calls for special enforcement machinery. The convention will come into force two months after it has been ratified by two member states. It provides for reconsideration of its terms at the expiration of each ten-year period after its coming into force. It further provides that existing agreements insuring more favorable conditions shall not be affected by the convention.

*Convention Concerning Medical Examination of Children and Young Persons for Fitness for Employment in Non-Industrial Occupations*

This convention provides that young persons under 18 years of age working in non-industrial undertakings (exclusive of agriculture and maritime occupations) shall not be admitted to employment unless they have been found fit to work by a thorough medical examination, to be administered by a qualified physician. It permits national laws or regulations to exempt young persons employed in family undertakings which are recognized as not being dangerous to their health. The continued employment of young persons under 18 years of age shall be subject to the repetition of medical examinations at least yearly. It provides that medical examinations shall be required until at least the age of 21 years in occupations involving high health risks. The examination shall be without charge to the young person or his parents. Appropriate measures shall be taken by the competent authority for vocational guidance and physical and vocational rehabilitation of those found to be unsuited to certain types of work or to have physical handicaps. It permits the issuing of temporary work certificates in special cases where a young person is found to be unfit. It calls for special enforcement machinery. It provides special provisions for certain countries where it is found impracticable at present to enforce fully its terms. The convention will come into force twelve months after it has been ratified

by two member states. It provides for reconsideration of its terms at the expiration of each ten-year period after its coming into force. It provides that existing agreements insuring more favorable conditions shall not be affected by the convention.

*Conventions Concerning the Restriction of Night Work of Children and Young Persons in Non-Industrial Occupations*

This convention provides that children under 14 years of age who are admissible for full or part-time non-industrial employment (exclusive of agricultural or maritime occupations) and children over 14 years of age who are still subject to full-time compulsory school attendance shall not be employed nor work at night during a period of at least 14 consecutive hours, including the interval between 8 o'clock in the evening and 8 o'clock in the morning. National laws or regulations may exempt domestic service in private households and work in family undertakings which is not deemed to be harmful to young persons. It provides that children over 14 years of age who are no longer subject to full-time compulsory school attendance, and young persons under 18 years of age shall not be employed nor work at night during a period of at least 12 consecutive hours including the interval between 10 o'clock in the evening and 6 o'clock in the morning. The convention makes certain exceptions to meet local climatic conditions. It permits national laws or regulations to grant temporary individual licenses in order to enable young persons of 16 years of age and over to work at night when the special needs of vocational training so require, subject to the period of daily rest being not less than 11 consecutive hours. National laws or regulations, subject to certain restrictions, may grant individual licenses in order to enable children or young persons under 18 years of age to appear at night as performers in public entertainment or to participate at night as performers in the making of cinematographic films. The convention provides for the enforcement of the provisions of the convention. It provides special provisions for India and other countries where it is found impracticable at present to enforce fully its terms. The convention shall come into force 12 months

after it has been ratified by two member states. It provides for reconsideration of its terms at the expiration of each ten-year period after its coming into force. It provides that existing agreements insuring more favorable conditions shall not be affected by the convention.

*Recommendation Concerning the Medical Examination for Fitness for Employment of Children and Young Persons*

This recommends that governments extend to all occupations carried on for profit, without consideration of the family relationship, the protection provided for by the conventions concerning medical examination for fitness for employment of children and young persons. It recommends that all children should undergo, preferably before the end of their compulsory school attendance, a general medical examination, the results of which can be used by the vocational guidance services. The thorough medical examination required on entry into employment should include clinical, radiological, and laboratory tests, and should be accompanied by appropriate advice on health care and if necessary by supplementary vocational guidance with a view to a change of occupation. It recommends the extension of compulsory medical examination until at least 21 for all young workers employed in industrial or non-industrial occupations. It recommends that young persons found by medical examination to have physical handicaps or limitations or to be generally unfit for employment should receive proper medical care, be encouraged to return to school or be given guidance toward suitable occupations, and be extended financial aid if necessary during the period of medical treatment, schooling, or vocational training. It recommends that measures be taken to train a body of qualified examining doctors. It spells out in greater detail the machinery desirable to insure enforcement of medical examinations.

*Recommendations Concerning the Restriction of Night Work of Children and Young Persons in Non-Industrial Occupations*

This recommends that the protection provided young persons under the provisions of the convention concerning the restriction of night work in non-industrial occupations be extended to all

undertakings carried on for profit, without regard to family undertakings, and to young persons under 18 who are engaged in domestic service. It recommends that licenses should be issued for limited periods to young persons in public entertainment, and should be granted to children under 14 only in exceptional cases. It recommends a more detailed plan for insuring enforcement of restriction of night work, and recommends that greater use be made of women in a supervisory capacity.

As a member of the ILO the United States Government is obligated within 12 months to submit to the "competent authority" each convention for ratification and each recommendation "for consideration with a view to effect being given to it by national legislation or otherwise." Under the existing constitution, however, a Federal state such as the United States may treat a convention to which constitutional limitations are applicable as a recommendation only.

## Addresses and Statements of the Week

<p>Clair Wilcox, director of the Office of International Trade Policy, and chairman of U.S. Delegation to Preparatory Committee for the International Trade and Employment Conference.</p>	<p>Statement on accomplishments of the Preparatory Committee for the International Trade and Employment Conference. Text issued as press release 843 of Nov. 26. Printed in this issue.</p>	<p>Made before the final plenary session of the Preparatory Committee on Nov. 26.</p>
<p>Richard H. Heindel, chief, Division of Libraries and Institutes, Office of International Information and Cultural Affairs.</p>	<p>"Understanding the United States Abroad". Text issued as press release 846 of Nov. 27. Excerpts printed in this issue.</p>	<p>Delivered before the National Council for the Social Studies in Boston on Nov. 27.</p>
<p>Paul V. McNutt, Ambassador to the Republic of the Philippines.</p>	<p>On the subject of American-Philippine cooperation. Text issued as press release 848 of Nov. 27. Not printed.</p>	<p>Delivered before Beta Theta Pi fraternity in Indianapolis, Ind. on Nov. 27.</p>
<p>George Wadsworth, American Minister to Syria and Lebanon and Ambassador Designate to Iraq.</p>	<p>On the subject of American influence in the Arab renaissance. Text issued as press release 849 of Nov. 29. Not printed.</p>	<p>Delivered at a dinner in honor of the chief delegates of the five Arab states to the General Assembly of the United Nations by the Institute of Arab-American Affairs in New York on Nov. 29.</p>
<p>Chester T. Lane, lend-lease administrator, Department of State.</p>	<p>Radio broadcast on the subject of lend-lease accomplishments. Text issued as press release 850 of Nov. 29. Not printed.</p>	<p>Broadcast made over NBC University of the Air program on Nov. 30.</p>
<p>David E. Austen, deputy executive director of lend-lease, Department of State.</p>	<p>Statement concerning the reparations settlement program for Japan. Text issued as press release 855 of Nov. 29. Printed in this issue.</p>	<p>Made on Nov. 29.</p>
<p>Acting Secretary Acheson</p>	<p>On the subject of direct food relief to devastated areas to supplant UNRRA. Text issued as press release 851 of Nov. 29. Printed in this issue.</p>	<p>Made on "Town Meeting of the Air" broadcast at Plymouth, Mass. on Nov. 28.</p>
<p>C. Tyler Wood, special assistant to the Under Secretary of State for Economic Affairs.</p>	<p>Statement concerning the reparations settlement program for Japan. Text issued as press release 855 of Nov. 29. Printed in this issue.</p>	<p>Made on Nov. 29.</p>

## GERMAN DOCUMENTS: CONFERENCES WITH AXIS LEADERS, 1944

*The Führer and the Duce, with their diplomatic and military advisers, continue their series of conferences held near Salzburg in April 1944. The discussion touches such matters as available manpower, military and civilian morale, building of a Republican Fascist army, and the importance of ideological training in the armed forces.*

**Memorandum of Conversation between the Führer and the Duce at Schloss Klessheim, April 23, 1944 12 to 2 p.m. Also present, the Reich Foreign Minister, Field Marshal Keitel, Ambassador Rahn, Marshal Graziani, Ambassador Anfuso, and Under Secretary of State Mazzolini.**

Führer's Memorandum No. 20/44  
State Secret

The Führer began the conference with the statement that he had yesterday set forth our decision to carry on the struggle uncompromisingly to a victorious conclusion. It was, however, necessary that this confidence and this planning be supported by corresponding action. In Germany the war effort was a total one. Even the young boys were being used in the flak service and the girls in the airplane-spotting service. We had set up fire-fighting regiments of half-grown boys, who also had to run additional risks since they had to do their duty not just after the departure of the enemy planes but even during the course of the air-raid alarm. The German workers were working 72 hours a week at their machines and, if special jobs were required of them, they often worked 16 or 17 hours and they would have to sleep along-

These are translations of documents on German-Italian conversations, secured from German Government files, and are among the German official papers which the BULLETIN is currently publishing.

side their machines. Our mine workers had only two days a month off from their shifts, which, with a nine-hour work day from 1,100 to 1,200 meters under the earth, amounted to a terrific exertion. Women were employed even in the most dangerous positions in munitions and machine factories. In all sorts of establishments, even those of the State Railways, women were being employed more and more. If we got additional workers from abroad the only result was that German laborers were set free for use at the front. It was clear that a country which was exerting itself so completely was entitled to judge the other countries according to their performance in the joint conduct of the war.

In North Africa a good army has been lost. The Führer had still believed at the time of their meeting at Feltre that by the employment of 8 to 10 German divisions it would be possible to hold Sicily and even to drive the enemy from the island. Then had come the collapse. The Führer was convinced that countries and peoples at all periods could be represented by individual men. The Russians had their Stalin. It was the misfortune of France that no great man had been discovered there. To a certain extent Churchill was also a strong man and one thought of Italy only in con-

nection with the Duce. The best evidence that Italy had succumbed to subversive influence was the proceedings in South Italy. Italy's will to resist had been bound up in the person of the Duce. When the Duce was removed it became our task to stabilize the situation. The German units southward of Florence had been put in extreme danger, as well as our units in the Balkans and in Crete. In the Peloponnesus, for instance, we had had four German divisions and several fortification defense battalions. All of these units would have been lost if the treachery of Badoglio and the King had been successful, so that immediate and stern measures had been necessary. It had still not been clear whether the liberation of the Duce could be accomplished by a coup. The course of further development in Italy could not have been foreseen. Badoglio had had no organization, the Army had been disorganized, and the Navy had become unreliable. The officer corps had displayed weakness in its relationship with the Italian soldiers. The Führer had been told officially by the Italians that Italy would only now cooperate effectively since previously efforts on behalf of the common cause had been hindered by Fascism, which was hated by the people. Nevertheless, only the Fascist units and certain anti-German elements had had real military value.

These circumstances had required lightning-swift and determined decisions to restore the situation and to prevent further treachery. For it was completely clear that a German collapse, regardless of whether it occurred in the West or the East, would destroy the last barrier against the Asiatic flood. Only the German divisions in the East stood in the way of a new invasion similar to that of the Huns. Neither the King nor Badoglio could have saved his country from this catastrophe. The Badoglio regime was inclined only to compromise and compromise represented weakness.

From these facts we had drawn the necessary conclusions, which perhaps from the outside appeared harsh but which represented the one and only thing which could have been and had to be done. After the event people were generally inclined to regard measures which had been born from the necessity of the moment as being too

harsh. So, for example, the jurists at Leipzig had come to such conclusions in the proceedings against the so-called "war criminals" on charges of violations of international law, without grasping the fact that measures which may have been incomprehensible in the atmosphere of the Leipzig courtroom had had to be taken by soldiers at the front. The deciding factor in the case of such measures was their success. If, looked at in retrospect, they may have appeared to have been regrettable from the psychological point of view and unnecessary from the material point of view, their employment in Italy had nevertheless been correct since the situation had actually been restored. Since the Duce was not there himself people had not known where the treachery had arisen and one could hardly have believed that the English would exploit the situation in such a timorous and irresolute fashion as they did. Our measures had to be taken to restore the situation and to remove the threat to our rear. The Führer exercised great authority in Germany, but he nevertheless had to listen to his Marshals and his Colonel-Generals who told him that the expenditure of any further divisions in Italy was folly as long as the supply routes were not definitely assured. The Führer had based his plans on the Duce and now it was suddenly reported to him that Fascism was no longer in existence.

Thus had come about the necessity for very harsh and thorough-going measures. We had intended first to withdraw to the Apennines or even only to hold the Alpine passes which could have been completely defended with some 12 divisions. Germany alone would not have been able to control so extensive an area, and as soon as we lost to the enemy the airfields of Foggia and on Corsica we had realized that South Germany at any rate stood open to enemy air attacks. The difference between having enemy airfields in South Italy and having them in the Po Valley was not so great, but in this evacuation there had been one measure absolutely necessary for us: the complete destruction of everything which might assist the enemy and the removal of material which we could use in our own conduct of the war.

In the area controlled by us one very difficult question had arisen, namely, what was to become of the Italian Army. In that Army there were

scattered elements of people who were willing to go along with us and also scattered elements including our bitterest enemies, among whom were to be included the Alpini. This attitude of the Alpini had been produced in part by their service in the East, although we had never used them in offensive operations but always only for defensive purposes. The Führer in his conversations with the Duce had always until now kept silent about the matter, nevertheless it was a fact that General [Italo] Gariboldi had caused us great difficulties. At . . .,<sup>2</sup> for example, the Italian units, although they had a three-fold superiority in numbers, had not been able to control the same extent of railway as our troops. Thus there had been a loss of 2½ munitions trains daily which had cost the life of many a German soldier. An extraordinarily brave man, General Eibel, who had won the Iron Cross with oak leaves and swords, had fallen there, not by the hand of the enemy, but a hand grenade had been thrown at him from an Italian column, and he had been killed sitting in his own car. The Italian troops at the front had sung the "Internationale" and had made insulting remarks about the Duce and himself.

With such an attitude on the part of the Italian troops we could either give up the East and the Southeast or we could set about defending ourselves, and in such a situation we would have had to have looked upon these Italian units as hostile. In Germany we had not allied ourselves to any kind of an Italy but only to the Fascist Italy. Among the German people the Duce enjoyed great popularity. When the Duce now suddenly disappeared we were compelled to regard those who were responsible for that as traitors. Our measures for the disarmament of the Italian troops and for deporting them had been necessary because the Italian troops had been infected. For that the officer corps bore the blame. If the Italian officers had treated their men differently and had shared their rations with them as ours did, the result would have been different. With our troops in Rumania the daily bread ration had been reduced to 250 grams and it went without saying that officers and men got the same ration and at Stalingrad both of them had gone hungry. But

<sup>2</sup> Name of place is illegible in original.

the Italian officers had not learned to act differently. With us units which did not conduct themselves properly were dissolved and outright cowards were shot. In our eyes the Italian troops had behaved shamefully, especially toward the Duce, and we had accordingly made them prisoners of war and only later introduced regulations applying to them as military internees. This collapse on the part of Italy had laid new burdens on the German people. Fathers of families and last remaining sons had had to be called up and the German people had rightly demanded that the Italians should at least be put to work in Germany. Just as before, the true Fascists who had conducted themselves with distinction were excluded from all this. It had been demonstrated before the treason of Badoglio that among the Italians there were outstanding workers, while, on the other hand, many of them even then had not wanted to do anything. Thus, for example, in the home city of the Führer it had happened that the Italians, in spite of getting the same food rations as the German workers, and in addition quantities of wine and macaroni, still produced only 60 to 70 percent results. The Führer was convinced that the workers had never received such good rations in Italy and at Linz a strike and a shooting fray had even occurred. The Italian workers had then appealed to their Ambassador and had put on the guise of Italian patriots who were persecuted by us, although, as a matter of fact, they were pure Communists. It was shameful that even the French workers had conducted themselves better with us. Most of them had even come back again to Germany after their vacations. It was intolerable that people who, although they got better rations, still worked less, then went out on strike and caused trouble. While the Italian workers and the Italian military internees had acted as Fascists, the relationship between the Germans and the Italians had been very good. We were interested only in seeing that they were engaged in work which was important to the war effort from the economic point of view, even though possibly a German laborer who worked 72 hours a week might be replaced by two foreign workers who worked only 48 hours but under the same rationing plan ate double the amount.

If the Duce now said that this whole system was unsatisfactory, we likewise found it so, for on the one hand there were Italians who were being trained by us as soldiers, and on the other hand there were military personnel who were interned. This could not be altered, however. The one group was infected with treason, while the other group was made up of young inexperienced people being trained as soldiers. We would set up for the Duce an outstanding unit, composed of the best and not of the average. The necessary training period amounted to 18 months and the soldiers would be well trained by the standards of German officers. The new Italian SS battalion had already proved itself in Italy, the new units would do the same, and the replacement elements were first rate. We would gladly train additional units for the Duce, but with the setting up of new units the question of arming them arose. We had suffered great losses in arms and it was necessary to supply the arms to the better units, and we were concerned first with arming our own units. Every German rifle must go to the front. We had even made use of Italian arms. It was our intention to provide the Duce with a sound officer corps which would also engage in training. If out of the 600,000 military internees 200,000 should sign up for active service they would be doing it only to improve their own lot and would not be the sort of troops who would have made the sacrifices that had been required by the struggle around Cassino. That was a general characteristic, however. Even the Germans would rather do less work or would prefer to leave the front and go home. We suffered losses in the East of 150,000 men, dead and wounded, month after month. In order to make the proper selection it would be necessary to deal with the military internees individually and to separate out those who declared themselves to be Fascists, and also those who, in the course of time, showed themselves to be unreliable in the performance of their duty, and to shift these latter gradually to duties as civilian laborers. This was not an ideal solution, but at a time like this it was necessary to adopt the most practicable rather than the ideal solution. They were at present not prisoners of war but military internees, although the sentiment on our front which scorned the Italian troops be-

cause of their betrayal would have been for treating them much more harshly.

The Führer then came to a discussion of the rebuilding of the Army and he expressed his regrets that he would not be able to accompany them on the trip to Grafenröhr, where the first Italian division was in training. It was most important of all that the organization which was being built up should be an entirely sound unit, and as soon as four divisions should be organized, these could then be doubled and finally tripled. These divisions should, however, consist not only of courageous and well-disciplined troops, but they should be ready to go to their death for the Duce. Germany had had practice in the constitution of such units. With us from each company there had been made a battalion, from each battalion a regiment, and from each regiment a division, and thus, from the seven divisions which existed up to 1935, when general compulsory military service had been introduced, 24 divisions had been created, and at present the same method was being followed in the SS and in the Army. At the beginning of the war the *Leibstandarte* had been a regiment, then it became a division, and finally it became a corps. Such rebuilding was a thing that required time and if the military forces of a country had passed through such a crisis as had the Italians, the matter was still more difficult. The Führer wanted to provide the Duce with the foundation for an absolutely reliable military force. This was a prerequisite for the stabilization of the Fascist regime in Italy. But the Italian soldiers must be determined to fight for the Duce like a Roman legion.

On the matter of the zone of operations the Führer said that he could make only one remark, that was, that in Germany there was a proverb to this effect: "A burnt child fears the fire." After the events which had taken place in Italy we found ourselves in a terrible situation. We had not believed that we could hold a position southward of Rome, for in Italy there were two bottle-necks for the Germans. One was the Apennines. If the roads crossing the Apennines were dominated by the Partisans it would be impossible for us to hold a position south of the Apennines. And it was only from the fact that the Duce had been liberated and that the landing at Salerno had been

delayed that it had been possible for us to make a stand even southward of Rome. The second bottleneck was the Alpine roads. The establishment of the zone of operations in this region which was so important for the supply of such extensive territories had had the result that now, although there were no regular units stationed there, no Partisan bands were present there either. The Führer was not fighting for square meters, for, if the war were won, we would then have to carry out the German mission in the East. We would get our raw materials from the Eastern areas, especially everything which we needed to make our position in the East a permanent one. If we were to carry on the conflict in Italy against overwhelming superiority in matériel, we would have to have our rear completely free, and we would have to dominate and make secure the Alpine passes so as to be sure that no Partisans would be able to threaten those narrow supply routes. Therefore, for military reasons, no alteration could be made in the arrangement concerning the zone of operations under any conditions.

The Führer hoped to be able to hold the present positions, although we expected to have to face an attack during the next few days from the Nettuno bridgehead, which would be carried on with a terrific expenditure of matériel. Each day quantities were being landed there equivalent to the content of 18 Italian munitions trains, while we could bring our trains up only as far as Florence and at the most bring two trains a day up to the front. We were counting on the possibility that two to three million shells would be fired at us from 400 to 500 guns. The Führer did not know what would remain, but what survived would continue to fight. An unconditional necessity for a hard struggle of this sort was that under no circumstances should a crisis be permitted to occur in the rearward areas.

A progressive abandonment of the necessary military measures in those zones was dependent on a strengthening of the Fascist system. This process, however, would have its basis in the Duce and it was of extreme importance that the Duce should remain in good health. At one time Badoglio had said to Kesselring that the Duce had only two

<sup>1</sup>One word illegible in original.

months to live because he was suffering from cancer. The Führer was happy that he had learned from Morell that the Duce's trouble was only a nervous one, with some slight growths which could be completely cured. Professor Morell was the best and most modern surgeon and he had developed his own theory of bacteria of which the universities at present had only a slight knowledge. It was hard to ask that a university professor should suddenly admit that his whole previous knowledge had become obsolete by the course of developments and the opposition to Galileo and Koch in their day had been based on this same sort of difficulty. The life which the Duce and he led was a dangerous life. If anything happened to the Duce today no one could take his place. If one fact presented itself clearly from history it was that of the uniqueness of personalities. The death of Frederick the Great, had it occurred during the Silesian War, would have ended that war completely and the course of developments would have taken an entirely different turn.

Unfortunately nothing was perfect. We had an excellent army, but we nevertheless required military tribunals, and there had been instances where one hardly knew whether it was stupidity or madness which had played a part. Thus, for example, a great quantity of maps of Sweden had been shipped through Sweden. Yet one could not draw from that the conclusion that military maps should not be dispatched to any military authorities in the future. It was the same way in the zones of operations. Some mistakes had certainly been made there. Ambassador Rahn had been commissioned to bring these mistakes to a halt. Even in Germany things happened which were wrong. Just recently a census of . . .<sup>1</sup> and hazelnut bushes in yards had been ordered, with an estimate being required of how much these bushes would bear. Often one might believe that saboteurs were responsible for such things. In some individual cases this suspicion had been justified. Also in the field of the war economy horrible examples of folly occurred and one must not take everything which happened too seriously. Also, through lack of forethought, great difficulties had been created in the Party, in the armed

forces, and in the field of foreign policy. Thus, for example, a man who had received a certain assignment had, with all the papers on the subject, set out on a journey in a Storch plane and landed in Belgium. The documents which the man had taken with him consisted of the plans for our march through Belgium. Such and similar cases had happened in Russia in the neighborhood of Voronezh and Velikie Luki. Often human fallibility really celebrated a holiday. In addition there was the fact that the best people were no longer engaged in the work of administration, for they had been assigned to the more dangerous posts. Besides, everywhere old people had had to be drawn upon, because the others were at the front. The French general, Giraud, in spite of his being known to be a dangerous man, had been allowed to escape from prison and had even been able to get away a second time, allegedly because it was thought that he had papers setting him free.

All these individual instances showed that a new system of regulation could not be made universally applicable to the operations zones. In those areas hardships would have to be corrected as individual cases. When the regime of the Duce was once more firmly reestablished then one could proceed with the removal of such regulations. In the course of this struggle involving life and death we must abide by the letter of the regulations and all difficulties which might arise would have to be treated individually. Ambassador Rahn had been ordered to examine such cases individually and to render his assistance. Even the Führer consulted his advisers about measures, although he had, of course, assumed responsibility. Crises could not be prevented from arising and he had to take into account the views of those gentlemen who would have to carry out his orders on the spot.

In the case of the military internees he wanted those who were good and reliable to be sorted out and assigned to the troops. It would be best if the younger men who were uncontaminated should be made available for the new divisions. If the Führer believed that this plan could not be accomplished he would say so to the Duce. But his commanders believed that the reconstitution of the Italian divisions could be accomplished. He

would furnish the Italian troops with the best types of German armament. Only Italian mountain guns would be supplied to them, because the Italian mountain guns were at least as good as the German ones. The intention was to extend these nuclei slowly but thoroughly. Taking the long view, we would give the Italians the very best that we could give them. We would not assign every Italian officer to these new divisions, but that was not a measure directed against the Italians as such but one that was also employed from time to time in our own forces. Thus we had reassigned commanders shortly before, or even during, combat if we did not consider them suitable. In that respect the Duce had the advantage, since, because of the great quantity of manpower available to him, he had a certain room for choice, which we did not have, and thus he could select only the best. We would supply him with the yeast, the base from which the future Italian army would be developed. Even we ourselves had once made out of seven divisions 21, later 56, then 90, and now around 300 divisions. At one time the 27th Jäger Battalion had been engaged in a training period of two to three years. This had in reality been a brigade composed of 5,000 Finns. This brigade formed the basis of the Finnish Army. All of the leading Finnish officers right up to Mannerheim came from this battalion. We wanted uncompromisingly to supply the Duce with the basis for an army which would serve only one god, for, if a soldier served two gods, then in his hour of need he would call on the god of peace, which with the Italian people might very well mean the King and his compromise government. How important, in addition to good military training, we considered ideological training to be, was demonstrated by the fact that now in the midst of a war we were proceeding to the completion of the National Socialist indoctrination in our own armed forces and we required of every officer unconditional allegiance to National Socialism.

With this the Führer bade farewell to the Duce, since he had to leave for a conference on the military situation, and he arranged that the conversation should be resumed in the course of the afternoon.

SONNLEITNER

**Memorandum of the conversation between the Führer and the Duce at Schloss Klessheim, April 23, 1944, 4 to 5 p.m. Also present: the Reich Foreign Minister, Field Marshal Keitel, Ambassador Rahn, SS-Standartenführer Dollmann, Marshal Graziani, Under Secretary of State Mazzolini, Ambassador Anfuso, and the Italian Military Attaché in Berlin, Colonel Morera**

Führer's Memorandum 21/44  
State Secret

After the Führer had invited the Duce to commence the discussion, the latter made the following reply to the Führer's remark that Fascism had not been in existence in July 1943:

The strength of the Fascist Party had at that time been with the various armies. In the Italian homeland there remained only the women and the young and the very old men. Besides, Badoglio had adopted a very effective sort of tactics, which had begun with a policy aimed at confusion. In order to lull the Fascists to sleep, Badoglio had first announced that the war would continue and that the Italians would continue to stand by the side of Germany. It was principally for that reason that no reaction on the part of the Italian people had followed the measures of Badoglio. Besides, no one had known what had happened to himself, the Duce. To an inquiry the King had declared that the Duce was his guest. Others had reported that the Duce was incurably ill. Thus the Italian people had not known how to take the situation and it had come to pass that after a 21-year period of control of the government, he had been dismissed like an unreliable servant. If the Italian generals had ever surprised the enemy as well as they had surprised the Italian people on that occasion the Italians would perhaps have been able to occupy Egypt. The Italian Army was predominantly a caste devoted to its own interests and its outlook had been thoroughly monarchist. This had come as a result of the fact that the Army had been put together from the various princely armies of the small states which had existed before the unification of Italy. Thus the Duce knew today that the battle of Custozza could have been won if the two Italian generals who were in command of armies on either side of the Po had acted together. This battle, which had actually ended in a defeat, had taken place at the beginning of the unification of the Italian Kingdom and that event had left behind bad feeling in the Army.

The military internees could be divided into three categories:

1. Those who were willing to fight along with the Germans. The Duce took this opportunity to defend the Alpini regiments whose conduct, on the Eastern front and following the betrayal, the Führer had criticized in the course of the preceding conversation, and he remarked that the Alpini constituted a closed group within the Army and had a very limited point of view. When they had been sent to Russia they had believed that they were going to be able to fight in the Caucasus and then, although they had been outfitted for mountain fighting, they were employed on the steppes of the Don.

2. Those who wanted nothing further to do with the war and who also wanted to escape from work.

3. Those who had come out for fighting on the side of Germany, whose actual viewpoint would have to be examined further.

The Duce would be satisfied if these military internees remained in Germany. Just a little while ago 7,000 officers had returned to Italy. The Duce had not been pleased about it. His request for better treatment of the military internees was not for the benefit of these people themselves, but arose only from the desire to improve the morale of their relatives and dependents in Italy, amounting to some six millions.

The Duce was satisfied with the reconstitution of the divisions in Germany and he agreed with the Führer's idea that it would be better that fewer, but more reliable, units should be constituted. To this end he would send from Italy recruits who were uncontaminated. The former members of the Italian armed forces, through the events which had taken place, had suffered a shock and were still ill as a result. The worst was the attitude of the people between 24 and 40 years of age. The best were the children. Even the 64-year-old Senator Ricci, the most prominent representative of Italian journalism, had placed himself wholly in the service of the new Italy. The work of conciliation was now in progress. There were, however, still a large number of desperate characters, for example, all the students. University professors from Bologna had told him that the students were studying very zealously, but that from the political point of view they were indif-

ferent, although some improvement was beginning to be shown in that respect.

The Duce was prepared to call up the class of 1914 for Gauleiter Sauckel, the classes of 1916 and 1917 for Reich Marshal Göring, and to place them at their disposal. He further agreed that 20 classes (the Duce said 20 classes in so many words) should be called up and employed in labor battalions.

The morale of the Italian people reacted very sharply to news about the progress of the war. After the successes of Cassino and Nettuno the morale had improved. He now intended to start a propaganda campaign in the various cities and among the various classes in Italy. He wanted to speak himself, otherwise the people would believe that the Duce was dead and, looking at it in retrospect, this was actually the case, for the Mussolini of yesterday was dead and it was the Mussolini of tomorrow who was alive. His deepest conviction was that Germany could never lose the war. This theme must be the basis for all propaganda.

When the Führer inquired about public opinion in Rome, the Duce said that Rome had many aspects. There was the Black City of the Papacy, the White City of the aristocrats, and in addition the manifold groups of the population, some of whom had come to Rome only after it had been declared to be an open city which had, after his betrayal, been the greatest sin of Badoglio. By the declaration of Rome to be an open city a division had arisen among the Italian population, and after the first bombing of Rome on July 19, 1943 many Italians had rejoiced.

The Führer here interjected that after the heavy bombing of Berlin an analogous procedure had occurred, for the fame of Berlin as the capital of the Reich had never been so well established in southern and western Germany as at the present when the splendid conduct of the Berliners was being demonstrated. On his birthday foreign newspapers had reported with astonishment that Berlin had been turned by its inhabitants into a sea of waving banners.

The Duce said that it would be better for the Italian units to undergo an extended period of training in Germany than for these units to be sent into action with insufficient training.

The Führer remarked that in our case the young people had had to be especially well trained, for they were idealists and not so prudent as the older age groups, and thus in action they had suffered terrible losses. The Führer himself had been a volunteer in 1914 and he had gone through the experience when his unit at Ypres had been reduced in a single action from 3,400 men to 611. A better-trained unit would have lost at most only 200 men.

The Duce said further that the Italian officers must, of course, all be Fascists, but that during their period of service in the armed forces their political activity would be interrupted. Previously there had been rivalry among the officers as to who was the oldest party member. From this rivalry personal conflicts had often arisen.

The Führer stated that the same arrangement existed with us. The officers swore allegiance to the State, to our ideology, and, in addition to all that, with us, to the person of the Führer as well. The Führer would like to have the Italian units trained in Germany pledge allegiance to the person of the Duce, for a bond to a person was the strongest type of tie.

Marshal Graziani here interjected that the German command in Italy was satisfied with the Italians who had been assigned to them as workers or in other capacities.

The Führer stated that the chief of the OT [*Organisation Todt*], Dorsch, had described the Italians as very good workers.

Ambassador Rahn said that this could also be attributed to the fact that the Italians had been trained to continue working even under heavy bombing and also to defend themselves against enemy air attacks.

The Führer related that the French had supplied us 140,000 Spanish Reds for employment in the OT. Since with us each one could hold his own opinion and those people were treated very considerately, these Spanish Reds had shown themselves very willing and conducted themselves well. The OT was really a revolutionary organization. It was entirely without class distinction and in every OT barracks there hung the picture of Todt which showed him as a road worker.

(Continued on page 1061)

# THE UNITED NATIONS

## Investigation of Assault on Members of Ukrainian Delegation

### EXCHANGE OF LETTERS BETWEEN THE UKRAINIAN MINISTER OF FOREIGN AFFAIRS AND THE SECRETARY OF STATE<sup>1</sup>

*November 22, 1946.*

DEAR MR. SECRETARY:

As the Chairman of the Delegation of the Ukrainian S.S.R. to the General Assembly of the United Nations, I have the honor to inform you of the following:

On the twentieth of November of this year, in the city of New York, two members of the Delegation of the Ukrainian S.S.R., Messrs. A. D. Voina and G. D. Stadnik, were assaulted by unknown malefactors, as a result of which Mr. Stadnik received a serious wound in the thigh from an explosive bullet and is at present, after having been operated, in the Roosevelt Hospital, where, according to the conclusion reached by the doctors, he will be confined approximately 3 months, and will remain an invalid for life. The entire circumstances of this assault, as is clear from the statements of the victims, Voina and Stadnik, leads one to believe that this is not a case of burglary but a premeditated attempt on the life of two Delegates to the Assembly of the United Nations.

In the first place, the fact that this assault took place in the fruit store across from the Plaza Hotel, where A. D. Voina and G. D. Stadnik usually went to purchase fruit at definite times after work, supports this explanation of the as-

sault. In the second place, the assailants, who, in the official version, intended to rob, did not take any valuables from A. D. Voina and G. D. Stadnik, but, having accomplished their business, peacefully went into the street.

Finally, it is difficult to suppose that a small shop with the small daily profit of a score or two dollars would be the real attraction for the burglars.

The Delegation of the Ukrainian S.S.R. calls to your attention the fact that such acts, directed against the lives and security of members of the Delegations of the United Nations, take place in the locality of the United Nations Organization, and furthermore, the malefactors have not been apprehended to date.

By virtue of the aforementioned reasons, the Delegation of the Ukrainian S.S.R. to the General Assembly of the United Nations requests that you, Mr. Secretary of State, take steps with a view to the immediate investigation by the American authorities of the attempt on the life of two of its members, and the bringing to justice of the guilty parties, being certain that you will inform it of the measures taken with respect thereto.

Accept [etc.]

D. MANULSKY

*November 27, 1946.*

MY DEAR MR. MANULSKY:

I have your letter of November 22 with reference to the shooting of Mr. Stadnik on the night of November 20.

<sup>1</sup> Publication of both letters, together with a copy of the memorandum from the Police Commissioner to the Mayor of the City of New York, was authorized by the Secretary of State. They were released to the press by the United States Delegation of the Council of Foreign Ministers on Nov. 28, 1946.

The Acting Secretary of State has heretofore conveyed to the Representative of your Government in Washington the sincere regret of the Government of the United States that Mr. Stadnik should have been the victim of such a criminal act. I wish to add my personal regret and ask that you extend to Mr. Stadnik my sincere sympathy.

I enclose you copy of a Report submitted by the Police Commissioner to the Mayor, which will give you the status of the investigation.

While we deeply regret that a Delegate to the General Assembly should have been the victim of this crime, I know you will be glad to learn that in the opinion of the Police Commissioner, based upon the evidence of the eye witnesses, it was not, as you feared, a premeditated attempt to kill two members of your Delegation.

The police authorities are of the opinion that had the criminals intended killing Mr. Stadnik and Mr. Voina, it is more probable that they would have waylaid the two Delegates on the street between the hotel and the store where the shooting occurred instead of waiting for them in a store where there were bright lights and where there were several persons to witness the shooting.

The police authorities also called my attention to the fact that if the purpose of the two men was to kill either Mr. Stadnik or Mr. Voina, they were within a few feet of the two Delegates and could easily have killed them, but instead while making their exit shot Mr. Stadnik in the thigh.

The fact that the primary purpose of the criminals was robbery and not to kill the two Delegates does not lessen their crime and certainly it does not lessen my regret that one of your representatives should have been the victim of such a criminal act.

Since receiving your letter, I have talked to the Police Commissioner of New York City, who assures me that they are doing everything in their power to apprehend the perpetrators of this crime. They will keep me advised of the progress of the investigation and I will ask that you also be kept informed. It is my earnest hope that the criminals will be apprehended and punished for their crime.

I trust that Mr. Stadnik's injury may not prove

as serious as you now fear. Please extend to him my hope for his continued improvement.

With assurances [etc.]. JAMES F. BYRNES

[Enclosure]

THE POLICE COMMISSIONER  
CITY OF NEW YORK

November 25, 1946.

*Memorandum for: His Honor, The Mayor*

**Subject:** Shooting of Gregory Stadnik, Ukraine Delegate to U.N., during perpetration of hold-up in delicatessen at 36 W. 58th Street, Man.

At about 12:20 a.m., November 21st, 1946, two unknown men entered premises, a delicatessen store, at 36 West 58th Street, Manhattan. Present in the store at that time were the clerk, Joseph Braunsiegel, 1225 Sheridan Avenue, Bronx, and an unknown woman. The unknown men pointed revolvers at Braunsiegel and ordered him to the rear of the store where they took his wallet containing \$65.00 and closed the door on him.

At this point another unknown woman entered the store and was herded into a corner of the store with the first woman who was present at the time the perpetrators entered. From the younger of the women they took \$7.00 and from the second woman who entered the store they took her purse, opened it and presumably took some money, the exact amount of which is unknown.

During the time the above was taking place, Gregory Stadnik and Alexis Voina, Ukraine Delegates to the United Nations Assembly, both residing at the Plaza Hotel, entered the store to make a purchase. As they were about to enter the premises one of the unknown men said "come in". As they entered the unknown men pointed revolvers at them and ordered them to raise their hands.

Both Stadnik and Voina are of stocky build and it is believed that the perpetrators judged them to be detectives or that they were slow in obeying the command of the perpetrators to raise their hands, because they immediately discharged a shot which struck Gregory Stadnik in the right thigh.

The perpetrators then left the store and made their escape in an unknown manner.

Delegate Stadnik was attended by Dr. Otto of Roosevelt Hospital, removed to said hospital and operation performed to remove the bullet. His condition was not serious.

Mr. Robert Clark, Agent in Charge of the State Department, and Mr. Frank Begley, Chief Security Officer, United Nations Assembly, were immediately notified of the occurrence.

The perpetrators were described as follows:

No. 1—About 25 years of age; 5' 8"; 165 lbs; dark complexion; spoke with an accent; wore grey fedora hat and brown topcoat.

No. 2—About 25 years of age; 5' 8" or 7"; 160 lbs; dark complexion.

Both of these men were armed and both are apparently Italian or Spanish. Alarm No. 21223 has been transmitted for these men.

INVESTIGATION

Immediately upon notification of this incident, a thorough search of the entire vicinity of the location was made by uniformed and detective forces in an attempt to apprehend the perpetrators. All facilities of this Department were used in this search including radio motor patrol cars and detective cruiser cars. The search was under the immediate supervision of Assistant Chief Inspector O'Brien and Acting Deputy Chief Inspector Rothengast.

Ten (10) picked detectives have been assigned to this case, two of whom speak Spanish, in an effort to obtain some information as to the identity of those responsible for the Commission of the crime.

The unidentified woman has been interviewed by Ass't. D. A. Burns, New York County.

This woman had ordered a few things in the store, had changed her mind and was slow in making her purchases when the perpetrators entered.

After they placed the clerk in the rear room, they took this woman's purse, opened it and extracted \$7.00 therefrom.

This woman will cooperate with the police in an effort to make an identification of the perpetrators when confronted by suspects. Both the District Attorney and the girl herself, due to her profession, explicitly requested that *her name not be divulged in any press releases.*

The wallet which was taken from the clerk of the store at the time of the hold-up was found at 2:00 p.m., November 21st, on the floor of the Guild Studios located at 143 West 32nd St., by Connie Liquori who lives at 4608 10th Avenue, Brooklyn.

This wallet was received by Mr. Brannspiegel through the mail, this morning. It was mailed to him by Anne Ermeti, 476 Sanford Avenue, Newark, N.J., an employee of the Guild Studios.

All employees of the Guild Studios are now being investigated and will be taken to the Bureau of Criminal Identification to view the pictures in an effort to identify any persons who were in that store on the date of the occurrence.

The wallet when found contained no money but identification was made of the owner through papers therein and an automobile operator's license bearing the name of the clerk.

The clerk of the store has viewed the photographs in the Bureau of Criminal Identification Modus Operandi File at Police Headquarters but failed to pick out any picture as one of a possible suspect.

Efforts are being made to identify and locate the second woman who entered the store during the hold-up.

Two members of this Department are assigned to screen

the prisoners appearing in the line-up. These men pick out any prisoners who answer the description of the perpetrators and question them.

Detectives have been assigned to the Parole Board to examine the records of parolees recently discharged from prison in an effort to identify the perpetrators.

Efforts are being made to have Mr. Voina appear at the Bureau of Criminal Identification to view photographs on file.

Act. Sergeant Butts, Bureau of Ballistics, has reported that the bullet removed from the thigh of Mr. Stadnik was broken into three (3) parts and appears to be a .38 caliber lead pellet. This bullet is badly deformed.

Assignment of the ten detectives to this case will be continued and every special attention will be given this matter and every effort made to identify and arrest the perpetrators of this crime.

ARTHUR W. WALLANDER  
*Police Commissioner*

## U.S. Representatives and Advisers to Commission on Narcotic Drugs of ECOSOC

[Released to the press November 29]

The Department of State on November 29 announced that Harry J. Anslinger, United States representative on the Commission on Narcotic Drugs of the Economic and Social Council of the United Nations, which held its first session beginning November 27, 1946 at Lake Success, New York, was accompanied by George A. Morlock, Department of State, and John W. Bulkley, Customs Bureau, Treasury Department, as advisers, and Miss Julia H. Renfrew of the Narcotics Bureau, Treasury Department, as assistant.<sup>1</sup>

Other countries represented on the Commission are: Canada, China, Egypt, France, India, Iran, Mexico, Netherlands, Peru, Poland, Turkey, Union of Soviet Socialist Republics, United Kingdom, and Yugoslavia.

The Commission on Narcotic Drugs will take action on matters relating to its organization and is expected to discuss and advise the Economic and Social Council in regard to problems concerning the reestablishment of the international control of narcotic drugs at pre-war levels, the illicit traffic, the suppression of the use of opium for smoking and eating, and the limitation of the production of narcotic raw materials.

<sup>1</sup> For article by Mr. Morlock on the Commission on Narcotic Drugs, see BULLETIN of Nov. 17, 1946, p. 885.

## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### *Calendar of Meetings*

<b>In Session as of December 1, 1946</b>		
Far Eastern Commission . . . . .	Washington . . . . .	February 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	March 25
Military Staff Committee . . . . .	Lake Success . . . . .	March 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
UNRRA - Intergovernmental Committee on Refugees (IGCR): Joint Planning Committee	Washington and Lake Success	July 25
General Assembly . . . . .	Flushing Meadows . . . . .	October 23
Telecommunications Advisory Committee . . . . .	Lake Success . . . . .	November 10
ECOSOC: Commission on Narcotic Drugs . . . . .	Lake Success . . . . .	November 27
German External Property Negotiations With Portugal (Safe- haven)	Lisbon . . . . .	September 3
PICAO:		
Divisional		
Communications Division . . . . .	Montreal . . . . .	November 19
Search and Rescue Division . . . . .	Montreal . . . . .	November 26
International Conference on Trade and Employment, First Meet- ing of the Preparatory Committee	London . . . . .	October 15-November 26
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	October 24
FAO: Preparatory Commission To Study World Food Board Propo- sals	Washington . . . . .	October 28
Council of Foreign Ministers . . . . .	New York . . . . .	November 4
Inter-Allied Reparations Agency (IARA): Meetings on Conflicting Custodial Claims	Brussels . . . . .	November 6
UNESCO:		
"Month" Exhibition . . . . .	Paris . . . . .	November-December
General Conference, First Session . . . . .	Paris . . . . .	November 19-Decem- ber 10 (tentative)
International Whaling Conference . . . . .	Washington . . . . .	November 20-Decem- ber 2
ILO Industrial Committee on Building, Civil Engineering and Public Works	Brussels . . . . .	November 25-Decem- ber 3

Prepared in the Division of International Conferences, Department of State.

*Calendar of Meetings—Continued*

**Scheduled December 1946 – February 1947**

Inter-American Commission of Women: Fifth Annual Assembly . . .	Washington . . . . .	December 2-12
PICAO:		
Divisional		
Rules of the Air and Air Traffic Control Practices Division . . .	Montreal . . . . .	December 3
Personnel Licensing Division . . . . .	Montreal . . . . .	January 7
Aeronautical Maps and Charts Division . . . . .	Montreal . . . . .	January 14
Accident Investigation Division . . . . .	Montreal . . . . .	February 4
Airworthiness Division . . . . .	Montreal . . . . .	February 18
Airline Operating Practices Division . . . . .	Montreal . . . . .	February 25
Regional		
South Pacific Regional Air Navigation Meeting . . . . .	Melbourne . . . . .	February 1
UNRRA Council: Sixth Session . . . . .	Washington . . . . .	December 10
Caribbean Commission . . . . .	Curaçao . . . . .	December 10
United Nations:		
Meeting of Postal Experts . . . . .	New York . . . . .	December 10
Meeting of Governmental Experts on Passport and Frontier Formalities	Geneva . . . . .	January 14-29
Economic and Social Council:		
Drafting Committee of International Trade Organization, Preparatory Committee	Lake Success . . . . .	January 20-February 28 (tentative)
Economic and Employment Commission . . . . .	Lake Success . . . . .	January 20-February 5 (tentative)
Social Commission . . . . .	Lake Success . . . . .	January 20-February 5 (tentative)
Subcommission on Economic Reconstruction of Devastated Areas	Geneva . . . . .	January 27-February 13 (tentative)
Human Rights Commission . . . . .	Lake Success . . . . .	January 27-February 11 (tentative)
Population Commission . . . . .	Lake Success . . . . .	January 27-February 11 (tentative)
Statistical Commission . . . . .	Lake Success . . . . .	February 6-20 (tentative)
Commission on the Status of Women . . . . .	Lake Success . . . . .	February 12-27 (tentative)
Transport and Communications Commission . . . . .	Lake Success . . . . .	February 17-28 (tentative)
Non-governmental Organizations Committee . . . . .	Lake Success . . . . .	February 25-27 (tentative)
ECOSOC, Fourth Session of . . . . .	Lake Success . . . . .	February 28
Intergovernmental Committee on Refugees (IGCR): Sixth Plenary Session	London . . . . .	December 16
Meeting of Medical and Statistical Commissions of Inter-American Committee on Social Security	Washington . . . . .	January 6-11
Twelfth Pan American Sanitary Conference . . . . .	Caracas . . . . .	January 12-24
Second Pan American Conference on Sanitary Education . . . . .	Caracas . . . . .	January 12-24
ILO Industrial Committee on Petroleum Production and Refining . .	Lima . . . . .	February 3-12

## *Activities and Developments*

### **MEETING OF ILO INDUSTRIAL COMMITTEE ON TEXTILES**

[Released to the press by the ILO November 25]

Concluding its initial nine-day session at Brussels, Belgium, the International Labor Organization's Industrial Committee on Textiles adopted a declaration emphasizing that the essential problem of the industry was to satisfy the accumulated need for textiles throughout the world, according to a report received November 25 at ILO headquarters in Montreal.

At the same time, the declaration said, the industry must be modernized, working conditions must be improved, and social-security measures extended.

The session, held under the chairmanship of Radi Abou Seif Radi, Egyptian Under Secretary of Social Affairs, brought together government, management, and labor representatives of 17 of the chief textile-producing countries. The meeting is being followed by a similar session of the ILO's Industrial Committee for Building, Civil Engineering and Public Works. Eight such international committees for the world's principal industries form part of the ILO's machinery.

At its closing plenary sitting, the Textile Committee declared that in view of the industry's essential nature an important place must be reserved for its needs in current international discussions on the problems of reconstruction.

On the recommendation of two subcommittees, detailed resolutions were adopted on wages, hours of work, recruiting for the industry, vocational training, and social welfare and security, including the extension of social services, the improve-

ment of working conditions, and holidays with pay.

The Committee also went on record as drawing attention to the necessity for an urgent increase in the production of textile machinery.

Representatives of a number of countries with manpower shortages expressed the desire that the Committee study with particular care the questions of recruiting and vocational training. It was agreed that at subsequent sessions these problems should be examined in the light of reports and recommendations made by the International Labor Office.

In a special resolution the Committee declared that measures must be taken to prevent unfair competition by the industries of Germany and Japan.

### **100th SESSION OF THE GOVERNING BODY OF THE INTERNATIONAL LABOR OFFICE<sup>1</sup>**

At the 100th Session of the Governing Body of the International Labor Office which was held at Montreal, Canada, on October 7, 1946, Guildhaume Myrddin Evans, C.B., Deputy Secretary, Ministry of Labor and National Service of the United Kingdom, was reelected Chairman of the Governing Body by unanimous vote. Mr. Evans was nominated for the second term by the United States Government representative, David A. Morse.

The Governing Body agreed to the establishment of an expert committee on indigenous labor in accordance with the recommendations of the Third Conference of American States Members held in Mexico City in April of this year. Preliminary discussions concerning a suggested regional meeting for the Near and Middle East were authorized by the Governing Body following recommendations originating with the Egyptian Government.

Plans were made for holding the Sixth International Conference of Labor Statisticians at Montreal, probably in August 1947.

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<sup>1</sup> Prepared by the Division of International Conferences in collaboration with the Division of International Labor, Social and Health Affairs, Department of State.

## THIRD MEETING OF RUBBER STUDY GROUP

[Released to the press on November 29]

The third meeting of the Rubber Study Group, comprising representatives of the Governments of France, the Netherlands, the United Kingdom, and the United States, to discuss common problems arising from the production or consumption of rubber, took place at The Hague on November 25-28, 1946.

Pieter Honig, director of the Netherlands Indies Rubber Fund, presided over the meeting. The French Delegation was led by M. Peter, Director for Economic Affairs, Colonial Ministry. R. D. Fennelly, Under Secretary, Raw Materials Department, Board of Trade, led the British Delegation, while the United States Delegation was led by Donald D. Kennedy, Chief, International Resources Division, Department of State.

Further studies of the prospective world rubber situation were presented to the group on behalf of the participating governments. These included the latest information on the U.S. synthetic industry and reports on conditions in the Far East.

The total world production in 1946 is estimated at 1,700,000 to 1,800,000 tons made up of 940,000 tons of synthetic rubber and 760,000 to 860,000 tons of natural rubber. Discussion took place on the difficulties experienced in the natural rubber production areas and the measures being taken to overcome them. There are serious shortages of labor and food in some areas and a general shortage of consumer goods which is hindering production. Stocks of natural rubber in producing areas at the beginning of 1946 were estimated to be 340,000 tons, and it is expected that the bulk of these will be shipped by the end of the year.

The group considers that supplies of natural rubber becoming available in manufacturing countries from all areas in the world during 1947 might reach approximately 1,200,000 tons as compared with 850,000 tons during 1946. Looking to a longer period, the group estimated that during 1948 there was a good prospect of the production of 1,500,000 tons of natural rubber and arrivals in consuming countries of 1,400,000 tons.

Assuming that the recommendations of the Inter-Agency Policy Committee on Rubber are carried out by the United States Government, this would give a total world potential production of natural and synthetic rubber of about 2,000,000 tons.

Without making any provision for increased working stocks or for any strategic stockpiling the group estimated that the world consumption of natural and synthetic rubber would amount to about 1,600,000 tons in 1946, 1,700,000 tons in 1947, and 1,675,000 tons in 1948. This estimate depends on the maintenance of a high level of economic activity in consuming countries but assumes that there will be no sudden large developments of the use of rubber.

The disequilibrium between the productive capacity of the world and its demands for consumption which was foreseen at the first meeting of the group, while not anticipated for 1947, is still contemplated as a possibility in the course of two or three years.

Discussion at the group meeting suggests that there will be a wide range of uses for which natural rubber may be better suited than synthetic and another range in which synthetic may be preferable to natural. Between these, however, there may well be an area in which satisfactory results may be expected from either kind of rubber and where manufacturers are likely to be guided in their preference by the relative costs of the two materials. In other cases national policy may determine the amount of synthetic rubber used. The group made special reference to the field for increased use of natural rubber in the expansion of the group's membership which was considered in the light of the work of the Preparatory Committee of the International Conference on Trade and Employment and the participating delegations agreed to recommend to their respective governments that membership should be open to all countries substantially interested in the production and consumption of rubber.

The terms of reference of the group provide that other interested governments shall be kept informed of its work, and steps will be taken to this end.

It is expected that a further meeting of the group will be desirable in the middle of 1947.

**UNITED NATIONS POSTAL EXPERTS MEETING<sup>1</sup>**

A meeting of postal representatives is being held in New York on December 10, 1946, under the auspices of the United Nations, to prepare an agreement in connection with bringing the Universal Postal Union into relation with the United Nations. The agreement will be negotiated between the United Nations and the Universal Postal Union. This meeting is the direct result of the Transport and Communications Commission's recommendation to the Economic and Social Council that such a meeting be held. The United Nations General Assembly, in turn, issued the invitations. Delegates representing the Post Office Department and the Department of State are expected to attend.

**MEETING OF THE CARIBBEAN COMMISSION<sup>1</sup>**

The four national sections of the Caribbean Commission consisting of representatives from France, the Netherlands, the United Kingdom, and the United States will meet in Curaçao, Netherlands West Indies, on December 10, 1946 to discuss the activities of the Commission's newly established Secretariat. Principal items on the agenda will include rules of procedure for the Commission and the West Indian Conference, and the apportionment of the budget. The meeting will be largely devoted to the implementation of the recommendations of the second session of the West Indian Conference which was held in St. Thomas, Virgin Islands of the United States, in February 1946.

The Caribbean Commission is an international advisory body, resulting from the recent expansion of the original Anglo-American Caribbean Commission. It serves to coordinate the activities of the four member powers in their efforts to improve the economic and social well-being of Caribbean inhabitants.

The Curaçao gathering will be the third meeting of the newly reorganized body, the second having taken place at Washington in July 1946. The session is expected to last four or five days.

**PREPARATORY COMMITTEE FOR INTERNATIONAL TRADE AND EMPLOYMENT CONFERENCE****Resolution on Interim Commodity Committee**

*Text of resolution on the Interim Commodity Committee adopted at the plenary session of the Preparatory Committee of the International Conference on Trade and Employment in London on November 26*

WHEREAS certain difficulties of the kind referred to in the draft chapter on intergovernmental commodity arrangements appended to the report of the Preparatory Committee have already occurred in respect of certain primary commodities and the governments concerned are already taking action on the general lines proposed in that chapter and

WHEREAS similar difficulties may occur in respect of other primary commodities and

WHEREAS the Preparatory Committee is agreed that it is desirable that action taken in respect of such commodities should proceed on the general lines proposed in the draft chapter:

The Preparatory Committee of the International Conference on Trade and Employment recommends that,

In so far as intergovernmental consultation or action in respect of particular commodities is necessary before the international trade organization is established, the governments concerned should adopt as a guide the draft chapter on intergovernmental commodity arrangements appended to the report of the Committee and request the Secretary-General of the United Nations, pending the establishment of the international trade organization, to appoint an interim coordinating committee for international commodity arrangements to consist of the executive secretary of the Preparatory Committee for an international conference on trade and employment as chairman, a representative from the Food and Agriculture Organization to be concerned with agricultural pri-

<sup>1</sup> Prepared by the Division of International Conferences.

mary commodities and a person to be selected at the discretion of the Secretary-General to be concerned with non-agricultural primary commodities, this committee to keep informed of inter-governmental consultation or action in this field and to facilitate by appropriate means such consultation or action.

#### **Statement by Clair Wilcox<sup>1</sup>**

Today we come to the end, not of one meeting but of six. We have completed a series of conferences on international economic policy dealing respectively with employment, industrial development, commercial relations, restrictive business practices, commodity arrangements, and the establishment of a new organization for world trade. We have dealt with a subject-matter that presents in its combination of diversity, complexity, and political sensitivity a problem so difficult that it might well have defied the negotiator's art. Yet on every major issue that has been before us in every one of these conferences we have come, almost all of us, to an identity of views. We have worked steadily and quietly in an atmosphere of cordial cooperation where each has sought to find his own interest in a purpose that is common to us all, and we have completed our task within the time that we allotted to it when we met.

We have arrived at wide agreement speaking as experts without committing our Governments on nine tenths or more of the text of a new charter for world trade, employment, and economic development.

I am happy that the preparatory work that was done within my own Government has contributed to this result. But I am equally happy that the draft that is now taking form has a better balance, a greater realism, and a finer precision than the one with which we began.

The document that is emerging will give expression not to the common denominator but to

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<sup>1</sup> Made before the final plenary session of the Preparatory Committee for the International Trade and Employment Conference in London on Nov. 26, 1946, and released to the press on the same date. Mr. Wilcox is Chairman of the U. S. Delegation.

the highest common denominator of our views. The principles on which we have built are sound; our work has been well done; we have gone farther and faster, I am sure, than any one of us had dared to hope was possible six weeks ago.

We have made a good beginning, but it is only a beginning. The instrument that we have forged in London must be polished this winter in New York, hardened with the alloy of trade negotiations next spring in Geneva, tested in the conference of many nations that will follow, accepted by world opinion, and put into operation by governments. The way ahead of us is long and may be difficult, but we are facing in the right direction, and we have taken the first sure steps toward our common goal, and in this there is great promise for a worried and a weary world.

As we have struggled here with the technicalities of unconditional most-favored-nation treatment, disequilibrium in the balance of payments, non-discrimination in the administration of quantitative restrictions, and procedures to be followed in multilateral selective negotiations on tariffs and preferences, we have not lost sight, I trust, of the deeper problems that underlie these mysteries. For the questions that we have really been discussing are whether there is to be economic peace or economic war, whether nations are to be drawn together or torn apart, whether men are to have work or be idle, whether their families are to eat or go hungry, whether their children are to face the future with confidence or with fear.

Our answer to all these questions is written in the charter for the world to read.

In conclusion, Mr. Chairman, I should like to express for my colleagues and myself our gratitude for the many courtesies that have been shown us during these meetings, our admiration of the men with whom we have worked both day and night over the past six weeks, our affection for those whom we have come to know as personal friends, our deep appreciation of the spirit of good-will that has animated all the deliberations of this committee from the beginning to the end. We are pleased and we are proud to have been associated with such a group in such an enterprise.

## THE RECORD OF THE WEEK

### United States Position on Polish Elections

[Released to the press November 25]

*Text of note delivered by the American Chargé d'Affaires in Poland, Gerald Keith, to the Polish Foreign Office on November 22*

EXCELLENCY :

I have been instructed to inform you that my Government has taken note of the announcement that the Polish Government of National Unity has fixed January 19, 1947 as the date on which general elections will be held in Poland. In this connection, my Government recalls that Ambassador Lange's note of April 24, 1946 stated that in accordance with the Potsdam Agreement of August 2, 1945, which provided that elections would be held as soon as possible, elections would take place this year. Although my Government is surprised that the Polish Government would fail, without explanation, to fulfill this formal assurance, its chief concern is not with any particular date but with the discharge of its responsibility under the decisions taken at the Crimea and Potsdam con-

ferences with respect to the holding of free elections in Poland.

The importance which the United States Government attaches to the carrying out of these decisions has repeatedly been brought to the attention of the Polish Government. In his note of August 19, 1946, to which no reply has been received, Ambassador Lane outlined certain points which the United States Government considers essential for the carrying out of free elections. In view of the disturbing reports which it has received concerning the preparations for the elections, my Government has instructed me again to inform Your Excellency that the Government of the United States expects that equal rights and facilities in the forthcoming election campaigns and in the elections themselves will be accorded to all democratic and anti-Nazi parties in accordance with the Potsdam Agreement. My Government could not otherwise regard the terms of the Yalta and Potsdam decisions as having been fulfilled.

### U.S. Position on Rumanian Election Results

[Released to the press November 26]

At the Crimea conference in 1945 the Governments of the United States, the Union of Soviet Socialist Republics, and the United Kingdom agreed jointly to assist the people of liberated Europe with a view to the earliest possible establishment through free elections of governments responsive to the will of those people. Subsequently, pursuant to agreement reached at Moscow in December 1945 between the same powers, representatives of the three Governments met in Rumania and ob-

tained assurances from the Rumanian Government that the latter would hold free and unfettered elections as soon as possible on the basis of universal and secret ballot.

The Rumanian Government held elections on November 19, 1946. The Department of State has now received extensive reports concerning the conduct of those elections, and the information contained therein makes it abundantly clear that, as a result of manipulations of the electoral registers, the procedures followed in conducting the

balloting and the counting of votes, as well as by intimidation through terrorism of large democratic elements of the electorate, the franchise was on that occasion effectively denied to important sections of the population. Consequently, the United States Government cannot regard those elections as a compliance by the Rumanian Government with the assurances it gave the United States, United Kingdom, and Union of Soviet Socialist Republics Governments in implementation of the Moscow decision.

## Situation in Procurement of Grain for Export Abroad

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

The President on November 29 called attention to the favorable situation in the procurement of grain for export to people in need abroad, to the difficulties in rail transportation of grain for this purpose, and to the modification in the restrictions on domestic use of grain.

Exports of grain, together with wheat purchased or under contract by the Department of Agriculture and amounts to be shipped as flour, are sufficient to reach the original goal of 267 million bushels for the year ending June 30, 1947. Good crops of all grains and a record corn crop made it possible later to raise this goal to a total of 400 million bushels of wheat, corn, and other grains.

It now appears that it would be possible to make available for export as much as 550 million bushels of all grains if sufficient transportation could be obtained. However, owing largely to the shortage of boxcars, there are difficulties even in the movement of as much as 400 million bushels.

In view of the continuing urgent need for food abroad, the Office of Defense Transportation is being asked by the President to make every effort to supply the necessary transportation for export grain and, if necessary, to provide preferential treatment to move grain for this purpose.

Because of the favorable grain-supply situation

<sup>1</sup> For recommendations by Ambassador Pauley on Japanese reparations, see BULLETIN of Nov. 24, 1946, p. 957.

<sup>2</sup> For *Report of the Mission on Japanese Combines*, see Department of State publication 2628.

and in the light of transportation difficulties, modifications in the restrictions on the domestic use of grain are being announced by Secretary of Agriculture Clinton P. Anderson.

The Department of Agriculture will take the following actions:

1. Remove the limitation on the domestic distribution of flour.

2. Permit brewers, for the quarter beginning December 1, 1946, to use as much grain as in the corresponding months of 1945 and 1946, but retain the prohibition against their use of wheat and the limitation on the use of rice.

3. Permit distillers to use unlimited quantities of corn below grade 3, but retain the prohibition against their use of wheat and the limitation on their use of rye.

## Consultations on Japanese Reparations Program

### STATEMENT BY ACTING SECRETARY ACHESON

[Released to the press on November 29]

Mr. Pauley, personal representative of the President on reparations, with the rank of Ambassador, has completed his report embodying recommendations to the United States Government for a Japanese reparations settlement.<sup>1</sup> His report is being used as a basis for United States Government study of its position on the matter, and close attention is being paid to the report as a whole, including Ambassador Pauley's comments on the control of the Zaibatsu,<sup>2</sup> agrarian reform, balance of trade, and levels of industry.

International consultations are now in progress with interested governments which the United States Government believes will lead to an early determination of the manner in which a reparations program may be promptly executed.

The Department of State continues to hope for the broadest possible inter-Allied support in the formulation of directives upon which the Supreme Commander for the Allied Powers will base the execution of a reparations program.

## International Cooperation for 1947 Relief Effort

BY C. TYLER WOOD<sup>1</sup>

The plan I am advocating is a simple and direct one. It is designed specifically to meet the particular situation which will confront us in 1947, just as UNRRA was designed to meet the very different situation immediately following the war.

I propose that each nation should immediately consider what it can contribute to the common 1947 relief effort. It should discuss its plans informally with others, both those planning to help and those needing help, to obtain their views and to coordinate its activities with all others concerned. The Secretariat of the United Nations should be used as a clearing house by all of us. The United States would keep the Secretary-General fully informed of what we were doing, and others should do the same.

Now, why do I think this is the way to do the job in 1947? For the same reason that I believe in using a saw when I have wood to cut and in using a hammer when I want to drive a nail—you do a better job when you use the right tool for that job.

That simple rule was followed when we helped design UNRRA. Then right after the war chaos threatened, and all the liberated nations needed all they could get as fast as it could be given them. In these countries there were no governments to collect or buy supplies, no food, no medicines, and no transportation to distribute them. UNRRA, to which the United States has contributed \$2,700,000,000—nearly three times the total contributions of all other nations combined—was designed to step into this particular breach. It did so magnificently, as Mr. La Guardia and I saw on our trip together this summer. Trains are running, fields have been plowed and harvested, essential utilities are operating again.

The first battle in the campaign to conquer the economic ravages of the war has been won. Now the problem is, in most cases, not urgent relief but further recovery and reconstruction.

If the world is to win this battle, we and others

must help the countries struggling upward. But most of them don't need free relief of the type provided by UNRRA. The further rebuilding of a railroad, additions to the generating capacity of a country, improved mechanization of coal mines—these are income-producing projects and should be financed through loans and not through free grants.

We have taken the lead again in providing the tools for this. As a result the International Bank and the Monetary Fund will assist nations in obtaining the foreign-exchange credits needed for reconstruction and for stabilizing their currencies. The capital of these two institutions will amount to 15 billion dollars, of which we provide about 6 billion dollars. Then there is our Export-Import Bank and the direct foreign loans made by us, amounting to nearly 10 billion dollars more.

What then remains to be done? Do not these measures make any further free grants unnecessary? Are we wasting our time in talking about it?

No, we are not, for there will be a real need. A few countries will still need free grants, for they are not yet far enough on the road to recovery to get along otherwise. They will need these grants very urgently and promptly in the period between late winter and early summer when their harvests begin to come in.

Remember, many need help, but only a few need free assistance. But in the board of nations suggested by Mr. La Guardia, each nation's representative will be instructed to get all the free assistance he can, and his political life may depend upon his success. The result will be log-rolling—those who don't need free help will get some—those who do need it desperately will get less than they need. We cannot afford to let this happen in

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<sup>1</sup> An address delivered on the "Town Meeting of the Air" in Plymouth, Mass., on Nov. 28, 1946, and released to the press on the same date. Mr. Wood is Special Assistant to the Under Secretary of State for Economic Affairs.

the case of the short-term emergency program we are discussing. We have seen examples of this in UNRRA. I know of one country which still has a substantial amount of supplies, mostly equipment, coming from UNRRA. You could take all these, turn them into food, and send it to another UNRRA country. This second country would still not be eating so well as the first does now. But you can't make the adjustment thoroughly and quickly through a board of nations. If you think you could, I'd like to resign my job on the Central Committee of UNRRA and let you try it.

Take another case. Suppose a country were building up a large army or using its plants and raw materials to make tanks and weapons instead of using them to provide for the needs of its people. Should they get free assistance when they can help themselves? No board of nations would act quickly enough to deny or to stop free relief in such a case.

Some people are saying—let's be frank about it—that we wish to retain control over the way our funds are spent because we intend to use food as a political weapon. I categorically repudiate this—our past record and what we do in the future will give a convincing answer. But we do insist that the food we provide be not used by others for political purposes either. We want to be sure that it goes to the hungry and not just to those who vote right. The drive to keep food out of politics must go down a two-way street.

There is one other practical advantage of our plan. The needed funds must be available during the latter part of this winter, when UNRRA shipments start running out. There is barely enough time for action by Congress after it convenes in January. The complication of an international board or agency would greatly prolong the debate and might indeed defeat the effort to obtain funds.

Are we turning our backs on international cooperation if we follow the plan I suggest? I'll let you decide this. Just remember that I am proposing full consultation with all other nations concerned, and suggest that we use the Secretariat of the United Nations as a clearing house for information to help us in coordinating our efforts. This is international cooperation, in a form best designed to deal with the problems we face. We

are actively supporting international cooperation across the board in the International Refugee Organization—against great opposition I may say—in FAO, in the International Trade Organization. It would take more time than I have to list them all.

The plan I have outlined is the most practical that can be designed to meet the particular situation we face. It is flexible and adaptable. Its very directness and simplicity should ensure obtaining the needed funds as quickly as possible and their use where they are most needed, without discrimination on political, racial, or any other grounds. It involves the kind of international cooperation needed in this case. I hope it will win the support of the people of this country.

## Negotiations With Philippine Government on Income and Estate Taxes

[Released to the press December 11]

Negotiations looking to the conclusion of a convention with the Government of the Philippines relating to income and estate taxes of the two countries are expected to open at Manila early in January.

Prior to that time the delegation of technical experts which will assist Ambassador Paul V. McNutt in the negotiations would be glad to confer with interested parties or to receive statements and suggestions from them concerning problems in tax relations with the Philippines. Communications in this connection should be addressed to Eldon P. King, Special Deputy Commissioner, Bureau of Internal Revenue, Washington 25, D. C.

### Foreign Commerce Weekly

The following articles of interest to readers of the BULLETIN appeared in the November 23 issue of the *Foreign Commerce Weekly*, a publication of the Department of Commerce, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 15 cents each:

"Swiss Industrial Plants: Character, Scope, Aims", by Adlai M. Ewing, senior economic analyst, American Legation, Bern, Switzerland.

"War Gave 'Nutmeg Isle' Bigger Spice-Trade Role", by Charles H. Whitaker, second secretary and vice consul, American Consulate, Montevideo, Uruguay.

## Mexico Pays Fifth Instalment Under Claims Convention

[Released to the press November 26]

The Ambassador of Mexico presented to the Assistant Secretary of State for American Republic Affairs on November 26 the Mexican Government's check for \$2,500,000 (U. S. currency) representing the fifth annual instalment due the United States under the claims convention concluded November 19, 1941.<sup>1</sup> The Assistant 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 (U. S. 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 \$16,000,000. With the present payment of \$2,500,000 the balance remaining to be paid amounts to \$21,500,000, to be liquidated over a period of years by the annual payment by Mexico of not less than \$2,500,000 (U. S. currency).

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### German Documents—Continued from page 1047

Todt had brought it about that the road workers, who previously in Germany had been disdained, had been filled with a notable *esprit de corps*. There was certainly a difference whether a person was being employed by private capital or was working in the common interest.

Field Marshal Keitel confirmed the fact that 120,000 Italians were being employed along with 6,000 German workers in Italy.

The Führer said that he considered it would be better if the Italian units were not used in combat immediately after their period of training, but were doubled and tripled, so that with these 12 divisions the basis of the State could be established.

The Führer summed up the position in Italy, concluding that all the problems which presented themselves would be solved in due course, that everything must be done to improve the position of the Duce and that accordingly the psychological aspect of the problem must be looked to as well.

The Führer had decided once and for all to rely on the Duce, and he had broken off all other relations with Italy. Everything would be done, but with the proviso that our own conduct of the war did not suffer thereby. We now intended to establish gigantic airplane factories below the surface of the earth in order to protect Italy with the fighters and bombers which would be manufactured therein. This would all take place while we were mobilizing all our forces, as no other state with the exception of Finland had done. If Ambassador Rahn should transmit to the Führer the Duce's wishes, the Führer would see that they were fulfilled, if it were at all possible, but if their fulfilment were not possible, then he would tell the Duce so frankly and give the reasons therefor. The Führer in this terrific historic struggle took a broader view than that from a church steeple. He was not going to haggle over square meters or over 100 or 200 men where it was a question of existence or non-existence and when the horde of international Jewry was assailing us. Either Europe would be destroyed or it would become a blossoming continent. The English and the Americans would have enough of war for a long time, and in order to maintain their States they would have to take over a great deal from us. The thoughts of the Führer both by day and by night were directed toward victory. Hungary, Rumania, and Finland were not closely related to us in outlook. Italy was the first and, even today, still the only one of our allies who was closely bound to us in world outlook. That was why the Führer in his own interest understandably and naturally wanted to fulfil all of the wishes of the Duce. It was likewise not good to have to stand against the world alone. One must think also of his own end. The Duce and he were certainly the two best-hated men in the world, and in case the enemy got possession of the Duce they would carry him off with a cry of triumph to Washington. Germany and Italy must conquer, otherwise both countries and peoples would go down to ruin together.

VON SONNLEITNER

BERGHOF, April 23, 1944

<sup>1</sup> BULLETIN of Nov. 22, 1941, p. 400. Treaty Series 980.

# Understanding the United States Abroad

BY RICHARD H. HEINDEL<sup>1</sup>

The use of information and culture as an integral part of the conduct of foreign relations pays daily, practical tribute to the best products of civilization. The facilitating and supplementary program in the Government does not obscure the influences which have flowed outward from this country, through all channels, to all points of the earth, since Columbus.

The United States Government's official foreign cultural-relations policy might be said to have originated in 1840 in a joint resolution of Congress which provided for the exchange of duplicate publications in the Library of Congress for other works in foreign libraries. A hundred years later, quite fittingly, this country, which pioneered in extending library services for its own people, began developing American libraries abroad as an acceptable instrument for promoting understanding of the United States. There are now 85 U.S. Information Libraries of various sizes in 41 countries. During the last year these libraries were used by about 4,000,000 people. The basic book collections are used twice over every 30 days. In many instances they have led to the expansion of the democratic idea of a public library.

There are in addition 72 cultural institutes and branches in the Western Hemisphere. One of their important activities is to develop the teaching of the American version of the English language. The centers were used by over 800,000 people last year, and had a student enrolment of 60,000. Fifty-six percent of their expenses are met locally. Activities of the centers are varied. They include

film showings, musical evenings, and baseball clubs; in several countries the center has introduced the idea of open forums and panel discussions.

Grants have been made to 40 American sponsored or affiliated schools, and another 400 schools have been aided with educational materials from this country. Thousands of publications, including documents, have been distributed or exchanged with other countries. The translation of 150 books, including an up-to-date history of the United States in Arabic, has been added where commercial arrangements were inadequate. Art exhibits and musical scores and recordings have been distributed as a result of many requests from the field. Sometimes these programs are described as long-range, but this should not mislead us. All of them have an immediate effect and a lasting result.

Available estimates indicate that approximately 10 million people each month attend OIC film showings of newsreels and documentaries. A mobile motion-picture unit working out of Chengtu, China, made a 1,000 mile trip during July, reaching an estimated 50,000 people in small villages. I believe also the Government of Yugoslavia, with film strips produced by the Pictures Branch of the U.S. Department of Agriculture, continues to train veterinarians in the treatment of the diseases of domestic animals.

Radio broadcasts in 22 languages are now beamed to reach an estimated audience of millions. These broadcasts include educational programs such as Radio University where specialists conduct round-table discussions.

There are also 2 daily editions of a wireless bulletin, approximately 7,000 words each, which go to 60 overseas missions by wireless and to 200 other points by airmail. These bulletins carry texts of official statements and documentary news of cultural significance. The one magazine published is the Russian language *Amerika*. The Soviet Government recently authorized an increase

<sup>1</sup> Excerpts from an address delivered before the Second General Session of the annual meeting of the National Council for the Social Studies in Boston, Mass., on Nov. 29, 1946. For complete text of the address, see Department of State press release 846 of Nov. 27, 1946. Dr. Heindel is Chief, Division of Libraries and Institutes, Office of International Information and Cultural Affairs, Department of State.

in its circulation to 50,000 copies, which are sold on newsstands.

There is an element of cooperation and reciprocal interest and exchange in all these programs. There are however some programs which are specifically labeled as cooperative and often conducted bilaterally in agreement with other countries.

About 35 bureaus of 12 Government agencies conduct scientific and technical field projects in other countries. These include agricultural research, child welfare, public health, civil aviation, education, anthropology, and the like. This year approximately 200 U.S. Government officials are engaged in cooperative scientific and technical projects with other governments. Taking all these cooperative projects together, more than half of the total expenses are paid by the cooperating foreign countries.

In the exchange of students and teachers, the government's role is that of a catalytic agent. Last year, of the 10,000 foreign students in this country, only 315 were here on official awards or grants. Official awards were given to some 200 government and industrial "trainees". Fifty specialists and professors came to this country for lectures or advanced studies in the official program, and 70 American professors were sent to teach abroad. Grants were made for foreign study to 10 students, the first to go since the war.

In this official exchange-of-persons program—and this includes scientific and technical personnel as well as students, teachers, and leaders—we are now limited to exchanges with the other American republics. Peacetime authority for such exchanges was given by Congress in 1939 as part of the good-neighbor policy. Similar authority for the rest of the world was contained in a bill, introduced by Congressman Bloom last year, known as the Cultural Relations Bill. Unfortunately this legislation, after successfully passing the House and receiving the approval of the Senate Foreign Relations Committee, died with the last session of Congress. It is expected that a similar bill will be introduced when Congress reconvenes.

The field force to carry out these programs consists of 375 Americans and some 1,400 local employees. The Americans, who are known as public-affairs officers, cultural officers, information offi-

cers, or librarians, are the specialists who are on the spot to interpret current American developments and our cultural heritage.

If the American people did not have some faith and some very good reasons for believing in the value of American culture, it would be folly to take the trouble to see that other people knew anything whatsoever about the United States. We believe that story is worth telling! Furthermore, we believe it can be told without vanity, distortion, pressure, or depreciation of others. The process of telling or teaching may be just as much a contribution to international peace as the story itself.

There is nothing incompatible between the objectives of this program and the closely related objectives of the United Nations Educational, Scientific and Cultural Organization (UNESCO) which is now meeting in Paris. Since ignorance is multilateral, its dispersion must involve all countries. This is what UNESCO hopes to do. The bilateral approach through the OIC is a contribution to the world's store of knowledge and will be needed to supplement and carry forward the more general objectives of UNESCO.

In the day-to-day presentation of the full and fair picture of the United States, a fundamental question arises which is not new to social scientists. What portions or elements of American life are interesting, effective, important, valid, or relevant in foreign countries? We could know more about this subject. So far the answer seems to be that some choices must be made. In some places labor has more meaning than agriculture, arts more validity than science, political science more importance (and more trouble) than technology.

American social studies are a very important part of the composite picture. The very nature of history, economics, political science, and the like make them difficult to handle internationally. By the same token the teachers of social studies in this country have an important role to play in the interpretation of other nations and in the field of international relations. Science, music, painting—even the novel—may have an immediate international acceptance; the same may some day be true about a textbook in social studies.

## Publication of "Papers Relating to the Foreign Relations of the United States, 1931", Volume II

REVIEWED BY E. R. PERKINS<sup>1</sup>

A documentary record of relations between the United States and individual countries of the American republics, Europe, the Near East, and Africa during the year 1931 is contained in the volume of *Foreign Relations* released by the Department of State on December 13. The other two volumes of the series for 1931 have already been released. Volume I, containing the general multilateral sections and those relating to individual countries alphabetically arranged through Chile, was released on December 6. (Reviewed in the *BULLETIN*, December 1, 1946, page 982.) Volume III, which deals with conditions in the Far East, was released on June 23, 1946. (*BULLETIN*, June 30, 1946, page 1129.) Sections on relations with countries not included in these other two volumes are contained in volume II, alphabetically arranged. As usual in *Foreign Relations* volumes, a list of papers giving briefly the substance of each document and a carefully prepared index facilitate the use of the mass of data contained in more than a thousand pages.

The Department of State was called upon to determine its attitude regarding conditions of political unrest and revolution which started in 1930 and continued to spread among a number of American republics throughout the year 1931. In each case active intervention was avoided.

Nearest at hand of the troubled areas was Cuba where dissatisfaction with the regime of President Machado continued unabated and where constitutional guaranties were suspended. Ambassador Guggenheim held numerous conferences with Cuban political leaders and sought to persuade Machado to adopt a program of reform. The Ambassador was instructed, however, not to participate in any way in any negotiations between the Opposition and the Government. (Page 56.) The end of the year saw no settlement of the problem, but later, in 1933, the Machado regime was overthrown.

Other centers of unrest and revolution in Latin

<sup>1</sup> Dr. Perkins is Editor of *Foreign Relations*, Division of Historical Policy Research, Office of Public Affairs, Department of State.

America were Ecuador, El Salvador, Guatemala, Honduras, Panama, and Peru. In Ecuador, temporary sanctuary was given in the American Legation to the former President and his family. Following two changes in the executive authority, presidential elections were held which the Legation reported were "orderly, free, and fair". In determining its policy with respect to the revolution in El Salvador the Government of the United States was guided by the provisions of the Central American treaty of 1923 regarding the non-recognition of governments coming into power through revolution. (Pages 173, 203.) Recognition was not extended by the United States until January 1934 after other Central American republics had recognized the Government of El Salvador. (Department of State *Press Releases*, January 27, 1934, page 51.)

Following a revolution in Guatemala in 1930, the United States, acting in concert with three Central American republics, extended recognition to the new Guatemalan Government which was considered constituted in a constitutional manner. During an unsuccessful insurrection in Honduras the United States Government gave its moral support to the constituted Government, to which alone shipment of arms was authorized. Warships were sent to Honduras, but it was announced that the American forces would limit themselves to making provisions for the safety of American lives and property in the coast towns. (Pages 559-561, 571.) When revolution broke out in Panama the American Minister, with the approval of the Department of State, refrained from calling out troops requested by the Panamanian President. (Pages 890, 891.) The Department authorized the continuance of ordinary diplomatic relations with the new government, considering that it was constitutional and stable, and that "the ordinary standards of international law for the recognition of new governments would appear to be met with". (Pages 903-904.) Likewise, the new revolutionary government in Peru was recognized on the basis of a report and recommenda-

tion from the American Ambassador. (Pages 919-921.)

While the Government of the United States was avoiding intervention in these new revolutions in neighboring republics, it was also taking steps looking toward the termination of its long intervention in Haiti. On August 5, 1931 an agreement between the United States and Haiti was signed for the Haitianization of the public services. (Page 505.) The Minister to Haiti had already been authorized to inform the Haitian Government that "the Government of the United States desires to withdraw the forces of occupation at the earliest moment when it feels it can properly do so, but that it does not consider it practicable at the present time to attempt to fix any definite date or program". (Page 546.) The American Government did, however, object to Haitian budgetary laws passed without prior accord of the American Financial Adviser. (Pages 10 ff.)

In Nicaragua, too, the American Government was seeking to end the period of intervention. The Marines continued to assist in the suppression of bandit activities, but the *Guardia Nacional* was being strengthened preparatory to the withdrawal of the Marines. In the meantime the United States insisted that so long as the *Guardia* was directed by American officers it should not try Nicaraguan civilians.

Diplomatic relations of the United States are usually thought of in terms of the protection of American citizens or interests in foreign lands. It is well to remember that occasionally things go wrong in the United States for citizens of other countries, and then foreign diplomatic missions in Washington feel called upon to make representations. There are such occasions recorded in the volume under review. Burglary and assault committed at the Salvadoran Legation in Washington was one such incident. (Pages 212-16.) A more serious affair was the fatal shooting of two Mexican students by deputy sheriffs at Ardmore, Oklahoma. One of the victims was nephew of President Rubio of Mexico. The students were traveling through the town by automobile and were mistaken for bandits for whom the deputy sheriffs were looking. No conviction of the perpetrators of the fatal mistake was obtained.

The incident was settled in 1933 when an act of Congress was approved to pay families of the victims \$30,000 "as an act of grace and without reference to the legal liability of the United States". (Pages 708-726.) Other representations of the Mexican Government to protect its interests in the United States involved the arrest and sentence of a Mexican vice consul at Chicago (pages 726-729), and a suit in the Supreme Court of New York. (Pages 729-736.) In both cases the Department of State supported the Mexican view.

Other subjects relating to the American republics recorded in this volume include petroleum interests in Colombia and financial matters in Colombia, the Dominican Republic, and Uruguay.

In the European field the outstanding subjects of American diplomacy in 1931 were the efforts of the United States to prevent the financial collapse of Europe and the problem of reducing or limiting armaments. These questions, however, are covered in volume I, previously released. It is there that one should look for the most significant correspondence on relations with France, Great Britain, Germany, and Italy. Much of the correspondence printed in the country sections for Europe in volume II relates to the prosaic routine of diplomacy, the promotion and protection of American business interests.

Visitors of note to Washington in 1931 were the French Premier, Pierre Laval, and the Italian Foreign Minister, Dino Grandi. (Pages 237-258, 643-650.) The files of the Department of State reveal little regarding the details of the conversations of these visitors with President Hoover and Secretary Stimson beyond those contained in the public statements issued at the time. Secretary Stimson did confide in Sir Ronald Lindsay, the British Ambassador, that the American and French Governments were in surprising accord on financial matters but that as to disarmament and the consideration of any adjustment of the political instability of Europe the results of the conversations with Laval had been disappointing. (Page 254.)

Fascist and Nazi activities recorded in this volume were sources of minor irritation rather than serious causes of trouble. In Germany Nazi demonstrations caused a temporary banning of the moving picture, *All Quiet on the Western Front*.

In reply, the Social Democrats, with Communist and other support, passed a resolution through the Reichstag that the prohibition was unjustifiable. Nevertheless Ambassador Sackett urged that further controversy be avoided. Word was passed to a representative of the picture industry, who replied that the company was "going slow." The ban in Germany was lifted after deletions in the picture were made and a letter received from the company saying that in the future the expurgated German version would be used for presentation throughout the world. (Pages 309-317.)

Other relations with Germany recorded in this volume hark back to World War I more than they forecast World War II. A debt moratorium and the possible sale of surplus American wheat and cotton to strengthen the financial conditions of Germany are discussed, and claims arising from the *Black Tom* and *Kingsland* sabotage cases still figure in the correspondence. One is reminded by papers relating to treaties of the United States with Baden and Württemberg signed in 1868, that Germany, as a centralized state, is of recent origin.

Unjustifiable arrests of American citizens caused vigorous representations to the Italian Government. An extreme case was that of an American citizen arrested on board an Italian ship in New York Harbor for an alleged disparaging remark about Mussolini, kept confined during the entire voyage to Italy, and then incarcerated in a prison in Naples. (Page 633.)

Italian protests against articles in an Italian language paper in the United States attacking the Fascist Government were met with references to constitutional guaranties of free speech. (Pages 637-640.) The Secretary of State did, however, express the regrets of the American Government for reflections against Mussolini in a speech by Maj. Gen. Smedley Butler of the Marines. (Pages 640-643.)

Diplomatic relations between the United States and the Soviet Union had not been established in 1931. The papers printed under the section for Russia relate to citizenship status of American nationals exercising political rights in Russia and the issue of non-immigration visas for entry into the United States of persons coming from Russia.

Revolution swept King Alfonso from the throne

of Spain and a republican government was proclaimed. Within a few days the United States followed the lead of several European powers in extending recognition. Spanish tariff discriminations and reciprocal claims were other subjects of correspondence relating to Spain.

Alleged obligations for military service by naturalized American citizens returning to their native country were under discussion with Greece and Yugoslavia.

In the Near East, relations with Turkey were strengthened by a treaty of establishment and sojourn. The Kingdom of Hejaz and Nejd, predecessor of the present Saudi Arabia, was recognized by the United States, and a commercial agreement was proposed. Extraterritorial privileges were under discussion with Egypt and Ethiopia. Low cotton prices led the Egyptian Government to propose joint action with the United States to regulate production of that crop.

Other parts of Africa calling for diplomatic attention were Morocco and Liberia. In the former, American interests were involved in both the French and Spanish Zones as well as in Tangier. Pending settlement of American claims, the United States refused to recognize the Spanish Protectorate. International control for Liberia was under consideration, and the United States continued to withhold recognition from the Barclay administration.

The above is by no means a complete listing of all the subjects covered by the correspondence presented in this volume. Other items include treaty negotiations, claims cases, and promotion of American financial and business interests. Varied indeed are the problems presented to the Department of State in the course of a year.

*Papers Relating to the Foreign Relations of the United States, 1931, volume II*, was prepared in the former Division of Research and Publication under the direction of E. Wilder Spaulding, Chief of that Division, and E. R. Perkins, Editor of *Foreign Relations*. Sections on American republics were compiled by Victor J. Farrar and those on the Near East and Africa by John Gilbert Reid. The chief compiler of the sections on European countries was Gustave A. Nuernberger, although contributions were also made by several former members of the *Foreign Relations* staff.

## Earthquake Areas in Peru Inspected by Ambassador Cooper

[Released to the press November 27]

The Ambassador to Peru, Prentice Cooper, accompanied by the Peruvian Minister of Public Works and several members of the Embassy staff, returned to Lima on November 23 from a six-day inspection tour of the areas in northern Peru stricken by the earthquake of November 10.

The trip, which was made in part by plane, automobile, horseback, and muleback through rugged mountainous country, was widely and favorably publicized by the Peruvian press. The earthquake area lay at an elevation of from 10,000 to 13,000 feet. While spending the night at a point in the Andes approximately 12,500 feet above sea-level, the party experienced one severe earthquake and 36 tremors.

The tour was arranged to provide a first-hand estimate of life and property losses in order to provide for prompt and effective American relief activities. The party distributed emergency supplies of food, medicine, and other articles and gave assurances that other needed supplies would be moved to the areas as quickly as transportation facilities would permit. Aside from personal interviews with countless persons, Ambassador Cooper made several impromptu talks and stressed that the people of the United States were happy to cooperate with the Government and people of Peru in rendering every assistance to earthquake sufferers. Reports from Peru indicated that the visit of the Ambassador created a profound impression upon the sufferers and that it constituted a further magnificent demonstration of the goodwill existing between the two nations.

Prior to leaving for the earthquake areas the Ambassador had cabled the American Red Cross for supplies. In visiting the city of Trujillo on the tour, he discovered that a large quantity of medical supplies from the American Red Cross had been flown there nonstop from the Canal Zone in an Army C-54 plane. The Ambassador was thus able to direct the immediate forwarding of these much-needed supplies to the stricken area by truck and muleback. Supplies included bandages,

antiseptics, sulphathiozole, tetanus antitoxin, splints, cots, blankets, and other articles.

Since returning to Lima the Ambassador has conferred with officials of the Peruvian Government and representatives of the American Red Cross concerning relief activities. Following his return another planeload of relief supplies has been flown from the Canal Zone to the city of Trujillo and the supplies are in the process of distribution.

## U.S. To Help Fight Disease Outbreak in Panama

[Released to the press November 25]

Two officers of the U. S. Public Health Service, Dr. James A. Steele, chief of the Veterinary Public Health Section, and Dr. Karl Habel, virus expert of the National Institute of Health, arrived in Panama on November 25 to assist in controlling an outbreak of suspected equine encephalomyelitis in humans and horses.

The Public Health Service received the request for assistance from Dr. Hugh S. Cumming of the Pan American Sanitary Bureau, in answer to a request from the Panamanian Embassy in Washington. Dr. Steele completed all arrangements for the trip with the cooperation of the Pan American Sanitary Bureau, the Department of State, the Army, and the Navy. The Navy provided a special plane for the two health officers.

Dr. Steele and Dr. Habel took guinea pigs, rats, and serum to conduct epidemiological studies at the scene of the outbreak in the interior of Panama. They will advise on control measures in the area where the outbreak occurred and will bring back specimens for study in the laboratories of the National Institute of Health at Bethesda, Maryland.

Equine encephalomyelitis attacks the central nervous system and in advanced cases is similar to poliomyelitis. It may attack nearly all animals and is transmitted by mosquitoes. Vaccination of animals and control of the mosquito population are accepted methods of preventing this disease.

Dr. Steele and Dr. Habel expect to return to Washington shortly.

# International Agreement Executed by the President

## OPINION OF THE ATTORNEY GENERAL<sup>1</sup>

A joint resolution, approved by the President, is plainly a law of the United States.

Proposed agreement establishing United Nations' headquarters, when executed by the President pursuant to a joint resolution of the Congress, will have the same binding effect as a treaty in superseding inconsistent State and local laws.

August 20, 1946.

THE SECRETARY OF STATE.

MY DEAR MR. SECRETARY: By letter dated July 9, 1946, you have asked for my opinion with respect to the following question:

"Would the enclosed agreement when executed by the President pursuant to authorization by a joint resolution of the Congress operate as the supreme law of the land superseding any inconsistent State or local laws with the same effect in that regard as a treaty ratified by and with the advice and consent of the Senate?"

The draft agreement referred to, dated June 20, 1946, would be between the United States and the United Nations. It would create a zone in which the headquarters of the United Nations would be located, and would define, broadly, the rights, privileges and obligations of the parties in connection therewith. At its present stage of negotiation, the agreement does not specify the size of the zone or its precise location within the borders of the United States. Your letter indicates that it has not yet been determined whether the agreement will take the form of a treaty or be executed by the President pursuant to a joint resolution of the Congress.

In this connection, representatives of the United Nations have asked you whether the proposed agreement, in the event that it is authorized by a joint resolution of the Congress, would have the same binding effect as a treaty, in superseding inconsistent State and local laws. It is your view that an agreement executed by the President, pursuant to such a joint resolution, would have the

effect indicated, and you desire to have my opinion in the matter. I concur fully in your position.

The question you have asked is confined to the particular agreement now before me, and does not require me to consider whether or not there are circumstances under which a given international compact must take the form of a treaty. It is sufficient to say that the proposed agreement is clearly within the constitutional authority of the Federal Government, and may, with full legal effect, be executed as a legislative executive agreement.

The Constitution of the United States expressly provides in clause 2 of Article VI that

"This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every state shall be bound thereby, any thing in the Constitution or laws of any state to the contrary notwithstanding."

It is thus axiomatic that where there is a conflict between a State or local law and a treaty, the State or local law must yield. *Ware v. Hylton*, 3 Dall. 199, 236-237, 242-243, 282 (1796); *Asakura v. Seattle*, 265 U.S. 332, 341 (1924); 1 Willoughby, *The Constitutional Law of the United States* (2d ed. 1929), section 76. It is equally well established that such a State or local law must give way to a conflicting Federal statute. *Gibbons v. Ogden*, 9 Wheat. 1, 210-211 (1824); *Hines v. Davidowitz*, 312 U.S. 52, 62-68 (1941); 1 Willoughby, *op. cit. supra*. A like rule applies where the conflict is occasioned by Federal executive action authorized by an act of Congress. *Case v. Bowles*, 327 U.S. 92, 102, 66 Sup. Ct. 438, 443 (1946); the *Shreveport Case*, 234 U.S. 342 (1914); *Wisconsin R. R. Comm. v. C., B. & Q. R. R. Co.*, 257 U.S. 563 (1922); 35 Op. A. G. 110.

Since a joint resolution, approved by the President, is, plainly, a law of the United States (*Wells v. United States*, 257 Fed. 605, 610-611 (C. C. A. 9) (1919)), it follows that an otherwise valid joint

<sup>1</sup> *Opinions of the Attorneys General*, vol. 40, no. 111.

resolution authorizing execution of the proposed agreement will supersede State or local laws inconsistent with the joint resolution or the agreement. Cases cited *supra*.

The Supreme Court has pointed out that if international understandings could be vitiated by state laws, the United States would be open to a charge of national perfidy." *United States v. Belmont*, 301 U.S. 324, 331 (1937). The need for supremacy of Federal action in the field of foreign affairs is, therefore, if anything, greater than with respect to exclusively domestic concerns. *Hines v. Davidowitz*, 312 U.S. 52, 68 (1941).

Thus, the Supreme Court held in the *Belmont* case that the laws of New York, otherwise applicable to the disposition of a bank deposit, must yield to a conflicting Executive agreement with foreign government executed by the President pursuant to authority vested in him by the Constitution. Mr. Justice Sutherland, speaking for the Court, said in part (331-332) :

"Plainly, the external powers of the United States are to be exercised without regard to state laws or policies. The supremacy of a treaty in this respect has been recognized from the beginning. . . . the same rule would result in the case of all international compacts and agreements from the very fact that complete power over international affairs is in the national government and is not and cannot be subject to any curtailment or interference on the part of the several States. Compare *United States v. Curtis-Wright Export Corp.*, 299 U.S. 304, 316, *et seq.* In respect of all international negotiations and compacts, and in respect of our foreign relations generally, state lines disappear. As to such purposes the State of New York does not exist. Within the field of its powers, whatever the United States mightfully undertakes, it necessarily has warrant consummate. . . .

A similar conclusion with respect to the same executive agreement was subsequently reached in *United States v. Pink*, 315 U.S. 203 (1942), in which the Supreme Court, per Mr. Justice Douglas, stated, in part, the following (230-233) :

"All constitutional acts of power, whether in the executive or in the judicial department, have as much legal validity and obligation as if they

proceeded from the legislature, . . ." The *Federalist*, No. 64. A treaty is a 'Law of the Land' under the supremacy clause (Art VI, Cl. 2) of the Constitution. Such international compacts and agreements as the Litvinov Assignment have a similar dignity. *United States v. Belmont*, *supra*, 301 U.S. at p. 331. See Corwin, *The President, Office & Powers* (1940), pp. 228-240.

" . . . But state law must yield when it is inconsistent with, or impairs the policy or provisions of, a treaty or of an international compact or agreement. See *Nielsen v. Johnson*, 279 U.S. 47. Then, the power of a State to refuse enforcement of rights based on foreign law which runs counter to the public policy of the forum (*Griffin v. McCouch*, 313 U.S. 498, 506) must give way before the superior Federal policy evidenced by a treaty or international compact or agreement. *Santovincenzo v. Egan*, *supra*, 284 U.S. 30; *United States v. Belmont*, *supra*. . . .

"We recently stated in *Hines v. Davidowitz*, 312 U.S. 52, 68, that the field which affects international relations is 'the one aspect of our government that from the first has been most generally conceded imperatively to demand broad national authority'; and that any state power which may exist 'is restricted to the narrowest of limits.' There, we were dealing with the question as to whether a state statute regulating aliens survived a similar federal statute. We held that it did not. Here, we are dealing with an exclusive federal function. If state laws and policies did not yield before the exercise of the external powers of the United States, then our foreign policy might be thwarted. These are delicate matters. If state action could defeat or alter our foreign policy, serious consequences might ensue. The nation as a whole would be held to answer if a State created difficulties with a foreign power. Cf. *Chy Lung v. Freeman*, 92 U.S. 275, 279-280. Certainly, the conditions for 'enduring friendship' between the nations, which the policy of recognition in this instance was designed to effectuate, are not likely to flourish where, contrary to national policy, a lingering atmosphere of hostility is created by state action."

The agreement involved in the *Belmont* and *Pink* cases, and given precedence over conflicting State policy, was not predicated on an act of Congress. Hence, there can be no doubt that the proposed

agreement, if executed pursuant to congressional authority, will supersede incompatible State and local laws. As the Supreme Court stated, in the *Belmont* case, "it is inconceivable" that State constitutions, State laws, and State policies "can be

interposed as an obstacle to the effective operation of a federal constitutional power." (301 U.S. 324, 332.)

Sincerely yours,

JAMES P. McGRANERY,  
*Acting Attorney General*

## Validity of Commercial Aviation Agreements

### OPINION OF THE ATTORNEY GENERAL

There are many classes of agreements with foreign countries which are not required to be formulated as treaties.

Section 802 of the Civil Aeronautics Act of 1938 (52 Stat. 973) clearly anticipates the making of agreements with foreign countries concerning civil aviation.

The jurisdiction of the Civil Aeronautics Board in connection with the granting of permits is not affected by any of the civil aviation agreements which have been concluded, and the Board must still pass upon the qualifications of applicants. However, the Board must act within the broad policy declared in the agreements.

*June 18, 1946.*

THE SECRETARY OF STATE.

MY DEAR MR. SECRETARY: I refer to your request for my views concerning the validity of existing commercial aviation agreements to which the United States is a party.

The agreements in question were discussed by the President in his message to the Congress of June 11, 1946, urging ratification of the Convention on International Civil Aviation. I refer particularly to the following statement.

"The Convention makes no attempt to cover controversial questions of commercial aviation rights. It leaves these questions to be settled by other international agreements, which are entirely independent of the Convention, and which provide for the reciprocal exchange of commercial air transport rights. Under authority vested in me, I have actively undertaken to consummate such agreements, in order to assure the most favorable development of international civil aviation. Naturally, agreements of this nature to which the United States is a party are consistent with the requirements of the Civil Aeronautics Act, are valid under its terms, and fully protect the public

interest. Under these agreements, before foreign air carrier permits are issued by the United States to foreign airlines, they must qualify under the provisions of the Civil Aeronautics Act."

The President consulted me in connection with the above statement, and it was made with my full approval.

It is recognized that there are many classes of agreements with foreign countries which are not required to be formulated as treaties. Of particular pertinence to the question here is the class of executive agreements which are entered into in accordance with, and within the scope of authority vested in the executive branch by legislation enacted by the Congress. Notable examples of agreements which fall within this class are postal conventions and reciprocal trade agreements.

The agreements referred to by the President in his message of June 11 were executed under the authority vested in him by the Constitution and statutes, including the Civil Aeronautics Act of 1938 (approved June 23, 1938, c. 601, 52 Stat. 973; 49 U.S.C. 401 *et seq.*). Section 802 of the act clearly anticipates the making of agreements with foreign countries concerning civil aviation, and provides that, "the Secretary of State shall advise the Authority [now Civil Aeronautics Board; Reorganization Plan No. IV, 54 Stat. 1235] of, and consult with the Authority [Board] concerning, the negotiation of any agreements with foreign governments for the establishment or development of air navigation, including air routes and services."<sup>1</sup>

Having anticipated the possibility of agreements with foreign countries and having prescribed the manner of arriving at such agreements, the 1938 act, in section 1102, provides that the Civil Aeronautics Board, in exercising its powers and performing its duties, "shall do so consistently with

<sup>1</sup> No opinion is asked or offered on the question whether the Administrator of Civil Aeronautics is or is not entitled to be advised and consulted with respect to the negotiation of agreements covered by section 802.

any obligation assumed by the United States in any treaty, convention, or agreement that may be in force between the United States and any foreign country." Moreover, under section 801, the President is required to make the final decision with respect to the grant or denial of a permit to a foreign carrier.

The foregoing statutory provisions make it clear that the Congress contemplated the consummation of agreements with foreign nations relating to international civil aviation.

The only argument which, so far as I know, has been advanced that existing agreements in this field are not valid is based on section 402 of the Civil Aeronautics Act of 1938. That section provides that "no foreign air carrier shall engage in foreign air transportation unless there is in force a permit issued by the Authority [Board] authorizing such carrier so to engage." Such a permit may be issued by the Board "if it finds that such carrier is fit, willing, and able properly to perform such air transportation and to conform to the provisions of this chapter and the rules, regulations, and requirements of the Authority [Board] hereunder, and that such transportation will be in the public interest." However, as I have previously indicated any action taken by the Board is subject to approval or disapproval by the President under section 801 of the statute and, therefore, it is the President, rather than the Board, who makes the final decision.

I understand that it is the position of the Department of State that the jurisdiction of the Civil Aeronautics Board in connection with the granting of permits is not affected by any of the civil aviation agreements which have been concluded, and that the Board in each case must still decide whether the applicant carrier is a suitable airline or performance under the requested permit and whether the issuance of the permit would meet the other requirements of the statute. It is also the position of your Department that where an agreement with a foreign nation exists, the Board, pursuant to section 1102, must act "consistently with any obligation assumed by the United States" in such agreement and, therefore, within the broad policy declared in the agreement. The ultimate decision, of course, under section 801, must be made by the President.

I concur in the position taken by the Department of State. None of the existing executive agreements purports to waive the necessity of proceeding under section 402 of the Civil Aeronautics Act of 1938, and I am informed that the procedure specified in that section is in fact complied with by the Civil Aeronautics Board whether or not there is in existence an agreement with the foreign country involved.

Sincerely yours,

TOM C. CLARK

## U.S. Member of International Fisheries Commission Designated

[Released to the press November 25]

Acting Secretary of State Acheson announced on November 25 that the President has designated Milton C. James, assistant director of the Fish and Wildlife Service of the Department of the Interior, as United States member of the International Fisheries Commission (United States and Canada) to fill the position left vacant by the resignation of Charles E. Jackson. The other United States member of the Commission is Edward W. Allen of Seattle, Washington.

The International Fisheries Commission functions under the convention between the United States and Canada, signed at Ottawa on January 29, 1937, for the preservation of the halibut fishery of the North Pacific Ocean and Bering Sea.<sup>1</sup>

## Landing Ship Tank Sold to Venezuela

[Released to the press November 25]

A LST (landing ship tank) was transferred to the Government of Venezuela on November 25 in ceremonies at the Norfolk Navy Yard.

This marked the first transfer to a Latin American Government under the plan whereby a number of minor naval vessels are being sold to other American republics under the Surplus Property Act.

Formerly LST 907, the ship was taken over by a Venezuelan crew.

Capt. Kenneth W. Heinrich of the Office of Foreign Liquidation Commissioner, Department of State, represented the Department at the transfer ceremonies.

<sup>1</sup>Treaty Series 917.

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# Contributors

*Miriam E. Oatman*, author of the article on the nationalization program in Czechoslovakia, is an economist in the Division of Research for Europe, Office of European Affairs, Department of State.

*David Persinger*, author of the article on the Sixth Council Session of UNRRA, is Secretary to the United States Delegation to UNRRA, Department of State.

The German documents in this issue were selected and translated by *J. S. Beddie*, an Officer in the Division of Historical Policy Research, Office of Public Affairs, Department of State.

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*The Department of State* bulletin

VOL. XV, No. 389 : PUBLICATION 2709

*December 15, 1946*

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, 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.*

For sale by the Superintendent of Documents  
U. S. Government Printing Office  
Washington 25, D. C.

SUBSCRIPTION:  
52 issues, \$3.50; single copy, 10 cents

Published with the approval of the  
Director of the Bureau of the Budget

## AMERICAN COTTON FOREIGN POLICY

by James Gilbert Evans

*A resolution of the International Cotton Advisory Committee at its Fifth Meeting (May 7-14, 1946) recommended the establishment of an executive committee consisting of representatives of 12 member countries. The organization meeting of the Executive Committee awaits approval of this action by the governments proposed for membership. Under its terms of reference, the Executive Committee will cooperate with the Food and Agriculture Organization of the United Nations and with other international organizations concerned with world cotton problems.*

### Cotton Export Programs

All cotton moved freely into international trade before the depression beginning in 1929, except for sporadic purchases by the Egyptian Government in support of the prices of the long-staple varieties produced in that country. Price relationships between the various growths and grades and the relative quantities carried over from one season to another were determined by world market forces.

The Federal Farm Board inaugurated the first United States cotton price-support program in August 1929 under the Agricultural Marketing Act of that year. Its operations were conducted in a period of deepening industrial depression and resulted in heavy financial losses. Cotton loan and purchase operations of the Board tended to cause a differential between American and foreign cotton prices. Some shipments of American cotton into the export markets on behalf of the Board constituted in effect a subsidization of export sales.

After the adoption of the United States cotton production-control and price-support program under the Agricultural Adjustment Act of 1933, this Government's financing and holding of carry-over stocks as a means of supporting prices became

an important factor in the world cotton market. United States carry-over stocks served as a partial buffer for the entire world supply-and-demand situation in that this country exported cotton only to the extent that supplies from other countries could not satisfy the import market.

Following the record world cotton crop of 36 million bales in 1937, world market prices fell below the level of prices in the United States as supported by the Commodity Credit Corporation loan program. Consequently, export sales of American cotton were greatly reduced in 1938 while carry-over stocks available for domestic consumption and export were at the all-time high of 13 million bales on August 1, 1939. An export differential or subsidy program providing for the payment of 1½ cents a pound was therefore put in operation on July 27 of that year. The preparation for war in Europe in 1939 created an abnormal demand for cotton and, in part, was responsible for the opportunity to export 5.8 million bales before the termination of the program with the gradual withdrawal of the subsidy in 1940. Funds required for this program were provided under section 32 of Public Law 320 (74th Congress), which makes a portion of the receipts from customs revenues available to the Secretary of

Agriculture for payments in connection with agricultural export and other programs.

The President, by proclamation on September 5, 1939, imposed import quotas on most staples and kinds of cotton and on certain kinds of cotton waste September 20, 1939 in accordance with section 22 of the Agricultural Adjustment Act of 1933 as amended. The proclamation was based on an investigation, which the Tariff Commission had been requested to make, disclosing that the imposition of quotas was necessary to prevent imports from making or tending to make the domestic cotton program ineffective as operated under the Soil Conservation and Domestic Allotment Act of 1935 as amended. The direct purpose of import quotas was to prevent foreign cotton from displacing American cotton in the domestic market after the adoption of the export-subsidy program. Harsh or rough cottons of less than  $\frac{3}{4}$  inches in staple length, chiefly used in the manufacture of blankets and blanketing, other than linters, were excluded from the quota. Cottons having a staple of  $1\frac{1}{16}$  inches or more in length were suspended from quota limitations by proclamation of December 19, 1940. Basic global quotas have remained in effect since 1939 but the allotment of quotas to individual countries for cotton with staple length  $1\frac{1}{8}$  inch or more but less than  $1\frac{1}{16}$  inch was suspended by proclamation March 31, 1942.

A barter arrangement, which involved an exchange of 600,000 bales of government-owned cotton for a quantity of rubber equivalent in value, was negotiated in 1939 with the United Kingdom as a defense measure.<sup>1</sup>

After 1940, the war cut off some of the major importing countries from supplies and the export market almost disappeared. Cotton prices in the various exporting countries did not remain at comparable levels. The United States followed a domestic price-support policy which tended to raise cotton to the "parity" level and above the price of comparable cottons in other countries.

In order to put its cotton in a competitive position, especially in the Canadian market, the United States again adopted an export program in September 1941. Funds provided for under

section 32 were used for payments. About 400,000 bales had been sold for export at four cents or more under comparable open-market prices and a cash export payment of from two to three cents a pound had been made on 233,000 bales exported to Canada when this program was terminated in March 1942. From that time until November 1944 United States cotton exports were largely under lend-lease except to Canada where shipping difficulties made other cottons relatively unavailable. Price relationships remained unfavorable to United States cotton in other export markets. Carry-over stocks on August 1, 1944 totaled 10,600,000 bales.

With respect to surplus agricultural commodities, the Surplus Property Act (1944) provides that, "The Commodity Credit Corporation may dispose of or cause to be disposed of for cash or its equivalent in goods or for adequately secured credit, for export only, at competitive world prices, any farm commodity or product . . ." Under this provision, the Commodity Credit Corporation announced on November 15, 1944 an export program designed to make United States cotton available in the importing countries. Since that time, the Commodity Credit Corporation has stood ready to furnish cotton for export at four cents below the average price on the 10 spot markets. Since May 1, 1946 section 32 funds have been used for the subsidy payments. Up to September 1, 1946 about 3,419,000 bales had been registered for export under this program.

Arrangements were concluded in 1946 whereby cotton owned by the Commodity Credit Corporation would be supplied to Japan and the American-occupied zone in Germany, in exchange for cotton textiles to be exported from those areas. Approximately 890,000 bales will have been shipped to Japan and 220,000 bales to Germany under these arrangements by the end of this year.

Export-Import Bank loans specifically earmarked for the purchase of American cotton have been granted to China, Italy, Czechoslovakia, the Netherlands, and Finland. Should the funds made available under these loans be fully utilized, approximately 580,000 bales of American cotton would be purchased.

Under present legislation, price-support loans on cotton will be available at 92½ percent of

<sup>1</sup> *Department of State Press Releases*, June 24, 1939, p. 547.

parity for at least two years after the official declaration of the end of the war. Cotton prices in the 10 spot markets have been above parity since October 1945.

### **International Cotton Agreement Policy of the United States**

The first suggestion of a conference to negotiate an international cotton agreement was made in 1931 by the Government of Egypt. The United States refused to participate in such a conference since at that time stress was placed upon the necessity for an adjustment of production to the demand situation and no legislation giving authority to control production in the United States had then been enacted.

After the passage of the Agricultural Adjustment Act in 1933, the United States attempted to improve the world cotton situation by restricting its own production and by accumulating government-held stocks in support of a price floor. The Secretary of Agriculture pointed out that this country could not continue in this role indefinitely and on a number of occasions stressed the need for an international cotton agreement. In 1939, with the adoption of the export-subsidy program, the United States invited other cotton-producing countries to meet in Washington for a discussion of the world cotton situation. This conference, known as the International Cotton Meeting, was held September 6-9, 1939. A resolution adopted by the countries represented indicated that, had war not broken out in Europe, steps would have been recommended to achieve an agreement designed to improve the unbalanced conditions of the world cotton market. As an interim measure the establishment of an advisory committee to undertake the following functions was recommended: "(a) to observe and keep in touch with developments in the world cotton situation, and (b) to suggest, as and when advisable, to the Governments represented on it any measure suitable and practicable for the achievement of ultimate international collaboration." At the first three meetings of the International Cotton Advisory Committee, set up as a result of this recommendation, (April 1, 1940; October 17, 1940; April 11, 1941), action was confined to a review of the world cotton situation.

In 1941 the Inter-American Financial and Eco-

nomics Advisory Committee of the Pan American Union requested the views of this Government on two fundamental questions of cotton policy, namely: "(a) whether it is desirable for each country to endeavor to work out its own situation independently or whether the various countries should take uniform cooperative action; and (b) whether an approach along cooperative lines should include only the cotton exporting countries of this Hemisphere or whether it is advisable to seek the cooperation of other countries outside the Americas."

To this inquiry Secretary Hull replied (April 23, 1941) as follows:

"The Government of the United States believes that the International cotton problem should be worked out on the basis of cooperative action by formal agreement among the various producing and exporting countries . . . outside the Americas as well as those in the Western Hemisphere. The attitude of this Government on the first point is based on the view that the only alternative to cooperative action will ultimately be cut-throat competition in the available world markets . . . As to the second point, this Government considers that the problem should be approached on an international rather than a purely inter-American basis for the reason that two of the leading cotton exporting countries, India and Egypt, are outside this Hemisphere."

Early in 1945 the United States took the initiative in convening the Fourth Meeting of the International Cotton Advisory Committee which was held in Washington April 2-14, 1945.<sup>2</sup>

At this Fourth Meeting, the International Cotton Advisory Committee approved the following resolution:

WHEREAS, The International Cotton Advisory Committee has found that a burdensome world surplus of cotton exists,

WHEREAS, Many of the cotton-producing nations which are at present members of the International Cotton Advisory Committee are facing problems and difficulties originating from certain measures adopted by other member nations to deal with cotton surpluses by unilateral action, and

WHEREAS, International collaboration in the

<sup>2</sup> BULLETIN of Apr. 22, 1945, p. 772.

management and liquidation of the world exportable surplus is preferable to any form of unilateral action on the part of the governments of individual exporting countries in disposing of their own surplus supplies,

*It is resolved:*

1. That all other United and Associated Nations substantially interested in the production, exportation, or importation of cotton be invited to designate representatives on the International Cotton Advisory Committee.

2. That the International Cotton Advisory Committee at its present session recommend to the Governments of Brazil, Egypt, France, India, the United Kingdom and the United States that they appoint within one month representatives to serve as a special study group.

3. That the study group as soon as appointed organize and begin work on a report to be presented to the governments represented on the International Cotton Advisory Committee within three months of the date of the first meeting of the study group, the report to include definite proposals for international collaboration.

4. That the study group in preparing its report keep in mind the following considerations:

(a) That effective international management of the cotton surplus would require the collaboration of the governments of countries substantially dependent upon imports as well as of producing and exporting countries;

(b) That an effective international arrangement looking toward a reduction in excess supplies would require the regulation of one or more of the following—exports, export prices and production.

(c) That the formulation of a plan for international action would take fully into account ways and means of expanding the consumption of cotton.

5. That as soon as practicable after the submission of the report of the study group to the governments represented on the International Cotton Advisory Committee, the Committee be convened to consider the report and take such action on it as may be deemed to be appropriate.

The International Cotton Study Group, appointed pursuant to this resolution, came together for a series of meetings in July 1945 and again in January and February 1946. The Group found itself unable at the time, however, to recommend an agreed plan for international collaboration as contemplated in the resolution, and so reported to the International Cotton Advisory Committee. The Group recommended that the study of international cotton problems be continued and suggested that the Committee consider formalizing its organization to enable it to keep the world situation under constant review and to discuss current international problems of cotton susceptible of prompt adjustment.

The Fifth Meeting of the International Cotton Advisory Committee, May 7–14, 1946 was convened by the Chairman to receive the report of the Study Group and to review again the world cotton situation. The action taken at the Fifth Meeting reflects the present foreign cotton policy of the members of the Advisory Committee. Although recognizing that some improvement in the world cotton situation had occurred since the Fourth Meeting a year earlier, the Advisory Committee found that a substantial surplus of cotton still existed and considered it desirable to carry forward the study of proposals for international collaboration. The establishment of an executive committee of the International Cotton Advisory Committee, consisting of representatives of 12 member governments divided equally between cotton exporting and importing countries, was recommended.<sup>3</sup>

The terms of reference of the Executive Committee which is now in process of organization are (1) to establish practical cooperation with the Food and Agriculture Organization of the United Nations and with other international organizations concerned with the world cotton situation; (2) to provide a medium for exchange of views in regard to current developments; (3) to develop further the work on methods of international cooperation; and (4) to create and maintain at Washington a secretariat for the purpose of supplying complete, authentic, and timely statistics on world cotton production, trade, consumption, stocks, and prices.

<sup>3</sup> BULLETIN of May 26, 1946, p. 887.

## PICAO MIDDLE EAST REGIONAL AIR NAVIGATION MEETING

by Glen A. Gilbert

*Nearly all countries acknowledge the fact that civil aviation, developed in volume and on a world-wide basis, will be an important factor in breaking down barriers between countries and in promoting understanding and friendship between peoples. The following article discusses the recommendations in the fields of operations, air-traffic control, meteorology, communications, search and rescue, and aerodromes, air routes, and ground aids—covering procedures, facilities, and services that were agreed upon at the Middle East regional meeting.*

The fourth in a series of ten regional air navigation meetings of the Provisional International Civil Aviation Organization (PICAO) was held at Cairo, Egypt, from October 1 to October 19, 1946. Eighteen nations interested in civil aviation in the Middle East sent representatives to the Middle East Regional Air Navigation Meeting. They were: Afghanistan, Belgium, China, Egypt, Ethiopia, France, Greece, India, Iran, Iraq, Italy, Lebanon, the Netherlands, Syria, Transjordan, Union of South Africa, the United Kingdom, and the United States. The following international organizations were represented: the International Commission for Air Navigation (ICAN), the International Air Transport Association (IATA), the International Meteorological Organization (IMO), the International Telecommunications Union (ITU), and the Federation Aéronautique Internationale (FAI).

The United States Delegation, headed by Glen A. Gilbert of the Civil Aeronautics Administration (CAA), numbered 32 persons and included representatives of all interested Government agencies, as well as representatives of United States airlines, the Air Transport Association, and Aeronautical

Radio, Incorporated. Principal spokesmen for the United States were: Clifford P. Burton (CAA) for air traffic control; L. Ross Hayes (CAA) for aeronautical telecommunications and aids to air navigation; James F. Angier (CAA) for aerodromes, air routes, and ground aids; Norman R. Hagen (Weather Bureau) for meteorology; Raymond F. Nicholson (CAA) for flight operations; and Lt. Comdr. J. D. McCubbin (United States Coast Guard) for search and rescue.

### Operations

In the field of flight operations agreement was reached as to basic standards for the establishment of uniform instrument approach procedures at each international aerodrome, based in general on the same standards which have been developed within the United States for instrument approach procedures. Altimeter setting procedures were formulated to insure that all aircraft would have altimeters set to read elevation above sea level, based on barometric pressure at selected locations reduced to sea-level pressure, with altimeter setting information, as provided in this country, available for landing purposes. Visual signals to

be used between aircraft in flight when radio communications between them is not in effect were also agreed upon. These signals were accepted provisionally for regional use as far as they were immediately practicable, subject to the ultimate adoption by PICAQ for world-wide use. This set of signals was particularly significant in the Middle East region where difficulties have occurred when radio communications between aircraft of different nationalities did not exist, and where it was found that no international procedures for visual signaling between aircraft had ever been used.

One of the most controversial subjects in the field of flight operations was the system of units of measurements to be employed in the Middle East region. It was finally decided to use a composite system employing English and metric units as well as the nautical mile and knots. This system differs from that chosen for the European-Mediterranean region, and the difficulties which have been encountered in developing regional units of measurement to be employed in aviation point to the urgent necessity of the early development of units which will be employed uniformly on a world-wide basis.

#### **Air Traffic Control**

The deliberations on air-traffic control in the Middle East region resulted in conclusions which were very satisfactory from the viewpoint of the United States. A significant aspect of these decisions was the fact that boundaries for flight safety regions for air-traffic control service were not required to follow national boundaries as had been the case in the European-Mediterranean region; all decisions in this respect in the Middle East region were based solely on technical considerations. The boundaries of seven flight safety regions were agreed upon, with control areas for each flight safety region confined to areas around principal aerodromes. In view of prevailing good weather in the Middle East as well as the comparative lightness in traffic density, it was not considered necessary to develop complete control area protection, such as that provided in the United States along routes between aerodromes. It was agreed that control centers for each of the flight safety regions would be located at Malta, Cairo, Khartoum, Basra, Aden, Karachi, and Bangalore. In addition, approach control was recommended for 13 locations within the Middle East region.

Based on *PICAO Rules of the Air and Air Traffic Control Standards*, supplemental procedures were agreed upon with regard to filing of flight plans, position reporting, flight altitudes, and similar rules.

#### **Meteorology**

From a meteorological viewpoint, the regional meeting found that only about half of the facilities required for international civil aviation in this region are now available. Additional meteorological facilities considered necessary include: (1) 185 surface and upper-air observation stations; (2) four meteorological aircraft reconnaissance flights daily; and (3) a stationary ship which would be located in the Arabian Sea. In addition, it was recommended that seven radio-electric stations be established to detect atmospheric static caused by lightning; these would also be very valuable in locating and forecasting thunderstorm activity. Because of the vast desert areas in the Middle East and the consequent hazards to flying personnel, it was recommended that a substantial number of weather stations (perhaps several dozen) be located in the desert areas at intervals of approximately 250 miles.

The meteorological representatives of the various nations attending agreed upon the location for main and dependent meteorological offices, together with procedures for the preparation and exchange of meteorological reports, forecasts, and warnings, as well as procedures for the dissemination of meteorological information both to aircraft in flight and to main meteorological offices. This latter procedure provides for a network of thirty sub-area radio broadcast stations and six area radio broadcast stations. Under this plan, aircraft in flight, as well as ground stations, will copy meteorological information transmitted according to predetermined schedules from the various radio stations which will utilize international meteorological codes and employ radiotelegraph.

#### **Communications**

In the field of aeronautical telecommunications and radio aids to air navigation, the meeting adopted many of the technical recommendations agreed upon at previous regional meetings. This included the use of 118.1 mc. as the standard VHF frequency to be employed in the aerodrome control

towers at all international regular and alternate aerodromes. In addition, the United States recommendations to use 8280 kc. and 500 kc. for emergency HF and MF channels, respectively, were adopted. Frequencies for air-ground communications were agreed upon for each route in the Middle East region, recognizing that certain adjustments may subsequently be necessary on the basis of experience. Existing navigational aids were carefully studied and additional aids were recommended, based on the combined use of non-directional beacons and radio ranges, high-frequency, very high-frequency and medium-frequency direction finding and instrument landing systems. Each state was urged to maintain in operation such facilities as are now located in its territory and to take early action in providing additional facilities required, notifying PICA0 if any assistance is needed from that organization in meeting requirements.

Plans for point-to-point communication facilities necessary for air traffic control, search and rescue, and meteorological services were fully developed, as well as communications procedures to be employed in operating the point-to-point and air-ground services.

#### **Search and Rescue**

For search and rescue, the meeting recommended five rescue coordination centers to coordinate information concerning aircraft in distress and to utilize the various search and rescue facilities available to the fullest possible extent. The locations were agreed upon for six rescue-alerting centers tied into the rescue coordination centers by appropriate communication channels. Other recommendations for search and rescue included locations for long-range, medium-range, and short-range search and rescue aircraft as well as for surface rescue craft. Procedures for providing this service in the region, as well as emergency procedures to be followed by aircraft, were also formulated.

#### **Aerodromes, Air Routes, and Ground Aids**

Twenty-one regular land aerodromes for long-range operation were designated as well as alternate land aerodromes for long-range operations, regular and alternate land aerodromes for me-

dium-range operations, and regular land aerodromes for short-range operations, making a total of 60 land aerodromes and six water aerodromes designated for the use of international aircraft in the Middle East. Proposed and existing scheduled airline routes were listed, and tabulations of frequency of operations for 1946 and 1947 were prepared in order to present a fairly accurate picture of present and anticipated air traffic activity in the region. Each aerodrome designated for use of international civil aviation within the region was assigned a PICA0 reference letter to indicate the standards to which the aerodrome should be brought. Each state was asked to compare its aerodromes with the appropriate PICA0 standards and to make required improvements as soon as possible.

The recommendations in each of the six fields covering procedures, facilities, and services agreed upon at the meeting, as briefly outlined in the foregoing, have been forwarded to the Interim Council of PICA0 for approval. After action has been taken by the Interim Council concerning the final reports of the meeting, each state concerned will be asked to implement the recommendations in accordance with the approval or plan of action specified by the Council.

#### **General Observations**

Preparation for this meeting on behalf of the United States was accomplished by the United States-PICA0 Technical Committee on PICA0 Regional Route Service Organizations, which functions within the framework of the Air Coordinating Committee. The fact that all principal members of the United States Delegation had been in most or all of the previous three regional air-navigation meetings resulted in their wide personal acquaintance with representatives of other governments, which in turn promoted the effective presentation of the United States viewpoint.

The Middle East is an area in which there are many small states. Up to the present time PICA0 has followed the principle that the air-navigation facilities and services required in any portion of the world should be supplied by the state in which the particular facility or service was to be located. It appears likely that in this region

*(Continued on page 1083)*

# COUNCIL OF FOREIGN MINISTERS

## Meeting of Council of Foreign Ministers

### DISCUSSIONS ON GERMAN AND AUSTRIAN PEACE TREATIES AND ON LIMITATION OF OCCUPATION FORCES IN EUROPE

#### Questions Relating to Germany

##### PLANS FOR DISCUSSION OF GERMAN QUESTION AND PROPOSED AGENDA FOR NEXT MEETING

##### *Proposals by the United States Delegation*<sup>1</sup>

I. Special Deputies shall be appointed by the Council of Foreign Ministers to consider German problems assigned to them by the Ministers.

II. Procedure for considering the views of other States directly interested in a German settlement. The Special Deputies shall hear the views of the Belgian, Czechoslovak, Danish, Luxembourg, Netherlands, and Polish Governments and of such other Governments who may wish to present their views. These views shall be heard and considered by the Deputies prior to any tentative decisions by the Foreign Ministers. Such hearings shall be preliminary to such subsequent consultation with these States as may be determined by the Council of Foreign Ministers.

III. The Allied Control Authority shall be asked to submit a report to the Council of Foreign Ministers at its next meeting on the following questions (a) the form and scope of a provisional German government and (b) the establishment of central agencies and other problems connected with the economic and political future of Germany under quadripartite government.

IV. The treaty with Austria and related matters.

V. Limitation of European occupation forces.

VI. The next meeting of the CFM shall be held

at ——— on ———. The agenda for that shall include the following:

1. Future boundaries of Germany including disposition of the Saar.

2. Continued demilitarization of Germany—United States proposed Four Power Treaty and other measures necessary for the economic and military control of Germany.

3. Establishment of central agencies and other problems connected with the economic and political future of Germany under quadripartite government.

4. The form and scope of a provisional German government and character of the permanent German government to be developed.

5. General outline of the peace treaty with Germany.

6. The treaty with Austria and related matters.

7. Limitation of European occupation forces in so far as not settled at present meeting.

8. Other agreed items.

#### Questions Relating to Austria

##### *Proposals by the United States Delegation*<sup>1</sup>

I. Special Deputies of the Council of Foreign Ministers shall be appointed for Austria.

II. These Special Deputies shall draft a treaty for presentation to the Foreign Ministers recognizing the independence of Austria. When properly applicable this treaty shall follow the provisions agreed upon in the Balkan draft peace treaties. In drafting the Austrian treaty consideration shall be given to the proposals already submitted by the American and British Govern-

<sup>1</sup> Submitted to the Council of Foreign Ministers at its meeting in New York, N. Y., on Dec. 6, 1946.

ments as well as any further proposals which may be submitted by other members of the Council of Foreign Ministers.

III. The Report of these Deputies for Austria shall be considered at the next meeting of the Council of Foreign Ministers. Particular attention shall be given to the problem of German assets in Austria insofar as the Special Deputies are unable to resolve it.

IV. Pending conclusion of the treaty recognizing the independence of Austria, the occupation forces of each of the four occupying powers shall be limited to a maximum of 10,000 each.

#### **Limitation of European Occupational Forces**

##### *Proposals by the United States Delegation*

The approaching conclusion of treaties with the ex-satellite States calls for a consideration of the number and location of Allied occupation forces in Europe.

To further our common objective of restoring conditions of peace, it is proposed that agreed ceilings be placed upon the number of Allied occupation troops which may be retained in European countries after the conclusion of the treaties with the ex-satellite States.

For study and consideration by the Council the following ceilings are suggested for forces as of April 1, 1947, with the understanding that such ceilings will in the absence of unforeseen difficulties be reduced by 25 to 33 $\frac{1}{3}$ % by April 1, 1948. This is subject to such earlier withdrawal from Austria, Hungary and Rumania as may be required by the Austrian treaty.

*Germany* (Allied Occupation): U.S., 140,000; U.K., 140,000; France, 70,000 (approximate existing forces not subject to reduction in 1948); U.S.S.R., 200,000.

*Poland* (Protection of Communication Lines): U.S.S.R., 20,000.

*Austria* (Aid for Re-establishment of Independence): U.S., U.K., France and U.S.S.R., 10,000 each.

*Hungary* (Protection of Communication Lines pending Austrian treaty): U.S.S.R., 5,000.

*Rumania* (Protection of Communication Lines pending Austrian treaty): U.S.S.R., 5,000.

#### **PICAO Air Meeting**—Continued from page 1081

many of the states asked to provide services needed for international civil aviation may be financially unable to do so and, furthermore, that they lack the technical personnel necessary to operate and maintain these services. It is obvious from the results of this meeting that if uniform facilities and services for international civil aviation are to be available throughout a substantial portion of the world, it will be necessary for the International Civil Aviation Organization (when established in accordance with the International Civil Aviation Convention) to play an active part in providing air-navigation facilities and services where they cannot be provided by states. This problem is now being considered by PICAO, and the United States has established a subcommittee under the Air Coordinating Committee to determine the position of this country.

The United States is acknowledged as a leader in the international civil aviation field. The advice and recommendations made by representatives of this country in connection with the technical problems involved in international civil aviation have been well received. This leadership, however, imposes upon the United States an obligation to help other countries if progress is to be continued.

Nearly all countries acknowledge the fact that civil aviation, developed in volume and on a world-wide basis, will be an important factor in breaking down barriers between countries and in promoting understanding and friendship between peoples. Recognizing the tremendous stake that the United States has in maintaining world peace, it appears that any assistance that we can appropriately give other countries in fostering and encouraging the development of international civil aviation is a wise expenditure of our resources. The United States Government, as well as the aviation industry, should collaborate and cooperate to the fullest possible extent in providing help to other countries in the field of international civil aviation. This country is on the threshold of an era where air commerce, fully utilized, can mean to the Nation and to the world what sea commerce has meant in the years gone by.

# THE UNITED NATIONS

## Meeting of General Assembly

### PROPOSAL OF U.S. DELEGATION ON REGULATION AND REDUCTION OF ARMAMENTS<sup>1</sup>

1. With a view to strengthening international peace and security in conformity with the purposes and principles of the United Nations, the General Assembly recognizes the necessity of an early general regulation and reduction of armaments. Accordingly, the General Assembly recommends that the Security Council give prompt consideration to working out the practical measures, according to their priority, which are essential to provide for the general regulation and reduction of armaments pursuant to international treaties and agreements and to assure that such regulation and reduction will be generally observed by all participants and not unilaterally by only some of the participants.

2. The General Assembly recognizes that essential to the general regulation and reduction of armaments is the early establishment of international control of atomic energy and other modern technological discoveries to ensure their use only for peaceful purposes. Accordingly, in order to ensure that the general regulation and reduction of armaments are directed towards the major weapons of modern warfare and not merely towards the minor weapons, the General Assembly recommends that the Security Council give first consideration to the report which the Atomic Energy Commission will make to the Security

Council before December 31, 1946, and facilitate the progress of the work of that Commission.

3. The General Assembly further recognizes that essential to the general regulation and reduction of armaments is the provision of practical and effective safeguards by way of inspection and other means to protect complying states against the hazards of violations and evasions. Accordingly the General Assembly recommends to the Security Council that it give prompt consideration to the working out of proposals to provide such practical and effective safeguards in connection with the control of atomic energy and other limitation or regulation of armaments.

4. The General Assembly calls upon the governments of all states to render every possible assistance to the Security Council and the Atomic Energy Commission in order to promote the establishment of international peace and collective security, with the least diversion for armaments of the world's human and economic resources.

### U.S. POSITION ON GENERAL DISARMAMENT<sup>2</sup>

1. The United States desires that really effective action be taken by this Assembly with respect to the general reduction of armaments.

2. The United States attaches first importance to the necessity for reaching agreement in the Atomic Energy Commission with the utmost dispatch on specific proposals to control the use of atomic energy, in accordance with the Assembly's first action on disarmament ten months ago when it adopted the atomic energy resolution.

3. The United States also attaches great importance to the elimination of other major weapons adaptable to mass destruction in accordance with the same resolution.

<sup>1</sup> Released to the press by the U.S. Delegation to the United Nations on Nov. 30, 1946.

<sup>2</sup> Summary from Senator Tom Connally's statement on the reduction of armaments made before Committee 1 (Political and Security) of the General Assembly on Nov. 29, 1946. For complete text of the statement, see press release 84, Nov. 29, 1946, of the U. S. Delegation to the United Nations. Senator Connally is a member of the U. S. Delegation to the United Nations.

4. The United States will never again make the mistake of disarming unilaterally. Disarmament must be multilateral and it must be progressive.

5. We must go further than the mere outlawry of the use of deadly weapons in modern warfare if we are to protect peace-loving states against the use of such weapons by aggressor nations.

6. Effective safeguards by way of inspection and other means to protect complying states against the hazards of violation and evasion are an absolutely essential part of any effective disarmament program.

7. Experience has clearly demonstrated that without an effective system of collective security in accordance with the United Nations Charter,

extensive disarmament would be both impractical and unsafe.

8. Consequently, any plans for the reduction of armaments must be closely related to the conclusion of the special armed forces agreements provided for in Article 43. The United States urges the conclusion of these agreements at the earliest practicable time.

The United States has long stood for disarmament. It so stands today. Its vision stretches over ravished lands and shattered homes. Its heart is moved by the maimed and wounded who shall bear to the grave the badge of their war service. It looks into the future and would save future generations from the blood and tragedy and misery of inhuman war.

## The Spanish Question

### U. S. DRAFT RESOLUTION ON SPAIN<sup>1</sup>

The people of the United Nations, at San Francisco, Potsdam, and London, condemned the Franco regime in Spain and decided that as long as that regime remains, Spain may not be admitted to the United Nations.

The people of the United Nations assure the Spanish people of their enduring sympathy and of the cordial welcome awaiting them when circumstances enable them to be admitted to the United Nations.

#### TIIEEEREFORRE

The General Assembly of the United Nations,

Convinced that the Franco Fascist Government of Spain, which was imposed by force upon the Spanish people with the aid of the Axis powers and which gave material assistance to the Axis powers in the war, does not represent the Spanish people, and by its continued control of Spain is making impossible the participation of the Spanish people with the peoples of the United Nations in international affairs;

Recommends that the Franco Government of Spain be debarred from membership in international agencies set up at the initiative of the United Nations, and from participation in conference or other activities which may be arranged by the United Nations or by these agencies, until

a new and acceptable government is formed in Spain.

The General Assembly further,

desiring to secure the participation of all peace-loving peoples, including the people of Spain, in the community of nations

recognizing that it is for the Spanish people to settle the form of their government; places on record its profound conviction that in the interest of Spain and of world co-operation the people of Spain should give proof to the world that they have a government which derives its authority from the consent of the governed; and that to achieve that end General Franco should surrender the powers of government to a provisional government broadly representative of the Spanish people, committed to respect freedom of speech, religion, and assembly and to the prompt holding of an election in which the Spanish people, free from force and intimidation and regardless of party, may express their will.

And invites the Spanish people to establish the eligibility of Spain for admission to the United Nations.

<sup>1</sup>General Assembly Doc. A/C.1/100, Dec. 2, 1946. The resolution was introduced in Committee 1 (Political and Security) on Dec. 2 by Senator Tom Connally, member of the United States Delegation to the United Nations, on behalf of the United States.

STATEMENT BY SENATOR TOM CONNALLY<sup>2</sup>

MR. CHAIRMAN AND FELLOW DELEGATES: Yesterday, on behalf of the United States Delegation, it was my privilege to present to this Committee for its consideration a resolution relating to the Spanish question. Today, with your permission, I would like to examine briefly the resolution we have introduced and explain the position the United States has taken.

The attitude of the United States toward the Franco regime is well known. We have made that perfectly clear at San Francisco, Potsdam, and London and on other occasions. Its fascist origins, nature, and policies are completely alien to our way of life. We reaffirm the basic concept of the inherent worth of the individual which such totalitarianism denies, and we advocate the establishment of effective democracy in all nations, where through free elections the people can select their governments and representatives.

It is for these reasons that we are unalterably opposed to the Franco regime, its totalitarian character, and its suppression of human rights and freedoms. We would like to see it replaced by a democratic government chosen by the freely expressed will of the Spanish people.

We are convinced however that the restoration of the Government of Spain to the Spanish people cannot be achieved through action by the General Assembly involving pressure such as that proposed in two of the resolutions under consideration. The Polish Delegation proposes that members of the United Nations terminate diplomatic relations with the Franco regime. The Byelorussian Delegation apparently does not consider that this form of moral condemnation will be adequate to achieve the objective and would amend the proposal to include the termination of economic relations. In the opinion of the Delegation of the United States, both proposals are inherently defective and would not lead to the realization of the common objective.

<sup>2</sup>Made before Committee 1 (Political and Security) on Dec. 3, 1946, and released to the press by the U. S. Delegation to the United Nations on the same date. See also Senator Austin's speech before the General Assembly on Oct. 30, 1946 (BULLETIN of Nov. 24, 1946, p. 934).

The proponents of a break of relations have not explained the sequence of events which they hope would follow and how these events would contribute to the desired end. For its part the United States Delegation believes that such a measure would produce no result beyond cutting off the Spanish people from communication with the rest of the world and thus making worse their present condition. More extreme coercive measures such as the application of economic sanctions against Spain would, in the long run, almost certainly produce economic and political chaos in that country. Political and economic chaos in Spain would undoubtedly lead to wide-spread civil strife. We would not desire to impose upon the General Assembly the responsibility of a course of action leading to economic and political chaos which could not be prevented from degenerating into civil war with serious international complications, which would array different Spanish factions against each other and enlist in varying degrees the support of different members of the United Nations. The United States does not believe that such conditions, particularly at a time when the economic and political reconstruction of Europe is of paramount importance, would contribute either to the development of a democratic regime in Spain or to the cause of international peace and security.

The coercive measures proposed are the appropriate methods set out in the Charter for dealing with threats to and breaches of the peace. The Security Council has already considered this question of a threat to peace. After a full examination of the facts, the Council defeated by a vote of 7 to 4 a Polish resolution which called on the members of the United Nations, under chapter VII of the Charter, to sever diplomatic relations with the Franco Government. In our view the situation has not changed. We do not believe Spain is a present threat to the peace. We do not, therefore, favor either the Polish or the Byelorussian resolutions or any similar proposals designed to bring forceful coercion to bear on the development of the situation in Spain.

We are, of course, ready to take our part in any action that may be necessary against the Franco

regime, under the Charter, when and if it is found to constitute a threat to the peace. We believe that the Council, which is able to take prompt and effective action on behalf of all the members of the United Nations, should keep that aspect of the question under the closest surveillance in order that it may be ready at all times to take whatever action may be necessary. Experience has shown that, under circumstances favorable to them, totalitarian regimes can become a danger to neighboring states and ultimately to world peace.

Our resolution sets forth clearly the action which we feel the General Assembly can and should take at this time. First, the Assembly should confirm and complete the banishment of the Franco regime from the organized community of nations. To this end it should not only continue to deny the regime admission to the United Nations, but should exclude it from membership in all international agencies set up at the initiative of the United Nations, and from participation in international conferences, until an acceptable government is formed by the people of Spain.

Secondly, the Assembly should express its profound conviction that the Spanish people themselves, through their united action, should peacefully restore self-government in Spain. This could be accomplished, following the withdrawal of Franco, by the establishment of an interim government under which the Spanish people could hold a free election. We are confident that the democratic ideals of the Spanish people will reassert themselves to create the foundation of a stable government, based on the will of the people and dedicated to the promotion of their fundamental rights and liberties. It is our expectation that in this manner the people of Spain will be able to find a solution which will make it possible for Spain to resume an honorable place in the family of nations.

In conclusion, Mr. Chairman, I would like to summarize very briefly the position of the United States with respect to the Spanish question.

1. We are opposed to Franco and welcome any democratic change in Spain which protects basic human rights and freedoms.
2. We shall take part in any necessary action

against the Franco regime, under the United Nations Charter, if and when this regime becomes a threat to international peace and security.

3. Pending such an eventuality, we are opposed to coercive measures by the United Nations, such as a severance of diplomatic relations or the imposition of economic sanctions, because they would either aid Franco by uniting the Spanish people against outside interference or would precipitate the Spanish people themselves into the disaster of civil war with unknown but inevitably costly consequences.

4. We shall join in continuing to oppose the admission of the Franco regime, not only to the United Nations but to any international agencies set up at the initiative of the United Nations.

5. Finally, we believe that the Spanish people should determine their own destiny. Following the withdrawal of the Franco regime, it is our hope that they will establish a provisional government and hold a free election so that Spain may once again assume her rightful place as a member of the family of nations.

In yesterday's debate, Mr. Chairman, a number of delegations expressed their opposition to any action by the United Nations which might constitute intervention in the internal affairs of Spain. Let me reassure the members of the Committee on this point. The United States is fully committed to the fundamental principle of non-intervention. It is a basic tenet of our foreign policy. Our resolution in no way violates this fundamental principle. The government of Spain belongs to the Spanish people, and it is for them to determine the form of government they shall have and the people who shall administer it. We are not here proposing intervention. The United Nations in this resolution would simply explain to the Spanish people in the clearest possible terms why their country is not at present eligible for membership and full participation in the community of nations, and the conditions which they themselves must create in order to remove those obstacles.

It seems to the United States that this proposed course of action is both prudent and wise and the one most likely to accomplish the end we all desire. It is submitted for your serious consideration and we hope that it will meet with your approval.

# Toward Effective International Atomic Energy Control<sup>1</sup>

## STATEMENT BY U. S. REPRESENTATIVE TO ATOMIC ENERGY COMMISSION<sup>2</sup>

MY FELLOW MEMBERS OF THE ATOMIC ENERGY COMMISSION :

The primary responsibility for originating a system to protect the world against the atomic bomb has been placed squarely in our hands. Regardless of discussions elsewhere, the Atomic Energy Commission cannot escape its duty. Our task came to us from three high sources—first, the meeting in Washington, November a year ago, of the chiefs of state of the United States, Canada, and the United Kingdom; second, the meeting of the foreign ministers of the United States, the United Kingdom, and the Soviet Union, in Moscow last December; third, the definitive resolution of the General Assembly in London last January.

I note that the debates on disarmament in the General Assembly have followed closely the proposals laid down by the United States on June 14 before this body. It remains, however, the responsibility of this Commission to submit definite plans to the Security Council. It is to that business I address myself. I entreat all to join in the enterprise so that we may show speed, as well as vision, in our assignment.

The stakes are greater than ever before offered mankind—peace and security. For who can doubt, if we succeed in controlling the atomic weapon, that we can go on to the control of other instruments of mass destruction? The elimination of war itself is within the range of possibility. I repeat: "The man who learns to say A can learn, if he chooses, the rest of the alphabet, too."

But we must make a beginning. Let us delay no longer. The awakened conscience of humanity is our goal. In all my life, now past the biblical allotment of three score and ten years, never before

have I seen so rich an opportunity for deathless service as is presented to us here. I want my country associated with victory in this great crusade.

For myself, as I look upon a long past and too short a future, I believe the finest epitaph would be—"He helped to bring lasting peace to the world."

But we must have whole-hearted and not half-way measures. The world is not to be fooled by lip service. The world will resent and reject deception. We must march together in the bonds of a high resolve. We dare not wait too long.

I do not intend, at this time, to debate the plan that we are about to offer here, in broad outline. I shall content myself with comments as to the imperative necessity for speed.

I beg you to remember that to delay may be to die. I beg you to believe that the United States seeks no special advantage. I beg you to hold fast to the principle of seeking the good of all, and not the advantage of one.

We believe that the original proposals of the United States, made on June 14th, were generous and just. Through the acid test of deliberation and debate, before this Commission and before the public opinion of the world, they have been proven so. In the long and protracted series of 70-odd meetings of this Commission and its various committees, studying all phases of the subject, we have found inherent and inevitable in any treaty that is to be written, covering this subject, three major elements:

1. The erection of an international authority which shall effectively prevent the manufacture and use of atomic bombs for war purposes, and which shall develop the use of atomic energy for social gain.

2. The right of free and full international inspection in support of these purposes.

3. The definite agreement that once a treaty

<sup>1</sup>This statement and the proposals will appear as Department of State publication 2713.

<sup>2</sup>The U.S. Representative, Bernard M. Baruch, made this statement before the Commission in New York, N.Y., on Dec. 5, 1946.

becomes effective, providing for deterrents against offenses and punishments for offenders, there can be no veto to protect willful violators, or to hamper the operations of the international authority.

However much one may seek to escape from these primaries, always the discussion, no matter where held, has come back to them. We have heard words that sometimes seemed to be steering us away from our goal, only later to hear others that led us back toward it.

The outline here presented is the bone and the sinew of any effective international control that may be—that shall be—*that must be established* if the civilized world is not to be ended; if the peoples are to live in security instead of being paralyzed by fear.

Time is two-edged. It not only forces us nearer to our doom, if we do not save ourselves, but, even more horrendous, it habituates us to existing conditions which, by familiarity, seem less and less threatening.

Once our minds have been conditioned to that sort of thinking, the keen edge of danger is blunted, and we are no longer able to see the dark chasm on the brink of which we stand.

Action at this time may well change hope to confidence. How can it profit any of us to avoid the issue, unless by so doing, we seek a special advantage; unless a chaos of fear will help particular ambitions?

Let us assume a report of the nature described in the American proposals is placed before the Security Council, together with such additions thereto as this body may desire. In it there will not be found a derogation of the dignity or might of any nation. On the contrary, the plan will build up, in all the world, a new and greater strength and dignity based on the faith that at last security is in sight; that at last men can walk erect again, no longer bent over by the numbing fear the atom bomb strikes into their hearts.

The price we have set upon the surrender of the absolute weapon is a declaration of peaceful intent and of interdependence among the nations of the world, expressed in terms of faith and given strength by sanctions—punishments to be meted out by concerted action against willful offenders.

That is one of the great principles of the United Nations—justice for all, supported by force. But there can be no unilateral disarmament by which America gives up the bomb, to no result except our own weakening. That shall never be.

It is for us to accept, or to reject—if we dare, this doctrine of salvation. It springs from stark necessity, and that is inexorable. My country, first to lay down a plan of cooperative control, welcomes the support of those countries which have already indicated their affirmative positions. We hope for the adherence of all.

We seek especially the participation of the Soviet Union. We welcome the recent authoritative statements of its highest representatives. From these, we are justified in concluding that it no longer regards the original American proposals unacceptable, as a whole or in their separate parts, as its member of this body stated at an earlier meeting.

I repeat—we welcome cooperation but we stand upon our basic principles even if we stand alone. We shall not be satisfied with pious protestations lulling the peoples into a false sense of security. We aim at an effective plan of control and will not accept anything less.

The time for action is here. Each of us perceives clearly what must be done. We may differ as to detail. We are in accord as to purpose. To the achievement of that purpose, I present a program in the form of resolutions, which have been placed before you.

I do not ask you to discuss or vote on these proposals at this time. They are now presented for your study and consideration. But I do ask the Chairman to call a meeting of this Commission, as early as convenient, to debate, if necessary, and to act upon the findings and recommendations contained in these resolutions, so that the position each nation takes on them may be recorded in this Commission's report which must be drafted by December 20, and presented to the Security Council by December 31.

I shall now read these resolutions.

**Proposals by the United States Representative for the Consideration of the Atomic Energy Commission of Certain Items to be Included Among the Findings and Recommendations in the Forthcoming Report of the Commission to the Security Council**

Pursuant to the resolution of this Commission passed at its meeting held November 13, 1946, the Report of the Proceedings, Findings and Recommendations of this Commission to be submitted to the Security Council by December 31, 1946, consists of three parts:

PART I, a Summary of the Proceedings together with the Records of this Commission and of its Committees and Subcommittees;

PART II, certain Findings of this Commission based upon its deliberations to date; and

PART III, certain Recommendations of this Commission based upon its Findings to date;

RESOLVED, that Part II of said report shall contain, among others, the following Findings of the Commission:

PART II FINDINGS

Based upon the proposals and information presented to the Commission, upon the hearings, proceedings and deliberations of the Commission to date, and upon the proceedings, discussions and reports of its several committees and subcommittees, all as set forth in Part I of this report, the Commission has made the following findings:

(1) That scientifically, technologically and practically it is feasible,

(a) to extend among "all nations the exchange of basic scientific information on atomic energy for peaceful ends", \*

(b) to control "atomic energy to the extent necessary to ensure its use only for peaceful purposes", \*

(c) to accomplish "the elimination from national armaments of atomic weapons", \* and

(d) to provide "effective safeguards by way of inspection and other means to protect complying states against the hazards of violations and evasions." \*

(2) That effective control of atomic energy depends upon effective control of the production and use of uranium, thorium and their fissionable derivatives. Appropriate mechanisms of control to prevent their unauthorized diversion or clandestine production and use, including inspection, accounting, supervision, licensing and management, must be applied through the various stages of the processes from the time these minerals are severed from the ground to the time they become fissionable materials and are used.

(3) That, whether the ultimate fissionable product be destined for peaceful or destructive uses, the productive processes are identical and inseparable up to a very advanced stage of manufacture. Thus, the control of atomic energy to ensure its use for peaceful purposes, the elimination of atomic weapons from national armaments, and the provision of effective safeguards to protect complying

\*Quotations are from the Commission's Terms of Reference, as set forth in article V of the Resolution providing for this Commission, passed by the General Assembly on Jan. 24, 1946.

states against the hazards of violations and evasions must be accomplished through a single unified international system of control designed to carry out all of these related purposes.

(4) That the development and use of atomic energy are not essentially and exclusively matters of domestic concern of the individual nations, but rather have predominantly international implications and repercussions.

(5) That an effective system of control of atomic energy must be international in scope, and must be established by an enforceable multilateral agreement (herein called "the treaty") which in turn must be administered by an international agency within the United Nations, possessing adequate powers and properly organized, staffed, and equipped for the purpose.

Only by such a system of international control can the development and use of atomic energy be freed from nationalistic rivalries with consequent risks to the safety of all peoples. Only by such a system can the benefits of widespread exchange of scientific knowledge and of the peaceful uses of atomic energy be assured. Only such a system of control would merit and enjoy the confidence of the people of all nations.

(6) That an international agreement outlawing the production, possession and use of atomic weapons is an essential part of any such system of international control of atomic energy. An international convention to this effect, if standing alone, would fail (a) "to ensure" the use of atomic energy "only for peaceful purposes" \* and (b) to provide for "effective safeguards by way of inspection and other means to protect complying states against the hazards of violations and evasions," \* and thus would fail to meet the requirements of the terms of reference of the Commission. To be effective, such an agreement must be an integral part of a treaty providing for a comprehensive system of international control and must be fortified by adequate guarantees and safeguards in the form of international supervision, inspection and control adequate to ensure the carrying out of the terms of the convention and "to protect complying states against the hazards of violations and evasions." \*

FURTHER RESOLVED, that Part III of said report shall contain, among others, the following recommendations:

PART III RECOMMENDATIONS

Based upon the Findings of the Commission set forth in Part II of this report, the Commission makes the following Recommendations to the Security Council with respect to the matters covered by the Terms of Reference of the Commission, which Recommendations are interdependent and not severable, constituting together and as a whole, the fundamental principles and basic organizational mechanisms necessary to attain the objectives set forth in the Commission's Terms of Reference.

(1) There should be a strong and comprehensive inter-

national system of control of atomic energy aimed at attaining the objectives set forth in the Commission's Terms of Reference.

(2) Such a system of international control of atomic energy should be established and its scope and functions defined by a treaty in which all of the nations members of the United Nations should be entitled to participate with the same rights and obligations. The international control system should be declared operative only when those members of the United Nations necessary to assure its success, by signing and ratifying the treaty, bind themselves to accept and support it.

(3) The treaty should include, among others, provisions

(a) Establishing, in the United Nations, an international authority (hereinafter called "the authority") possessing powers and charged with responsibility necessary and appropriate for effective administration of the terms of the treaty, and for the prompt carrying out of its day-to-day duties. Its rights, powers, and responsibilities, as well as its relation to the several organs of the United Nations, should be clearly established and defined by the treaty. Such powers should be sufficiently broad and flexible to enable the authority to deal with new developments that may hereafter arise in the field of atomic energy. In particular, the authority shall be responsible for extending among all nations the exchange of basic scientific information on atomic energy for peaceful ends, for preventing the use of atomic energy for destructive purposes and for stimulating its peaceful beneficent uses for the benefit of the people of all nations.

The authority should have positive research and developmental responsibilities in order to remain in the forefront of atomic knowledge so as to render the authority more effective in promoting the beneficent uses of atomic energy and in eliminating its destructive ones. The exclusive right to carry on atomic research for destructive purposes should be vested in the authority.

Decisions of the authority pursuant to the powers conferred upon it by the treaty should govern the operations of national agencies for the control of atomic energy. In carrying out its prescribed functions, however, the authority should interfere as little as necessary with the operations of national agencies for the control of atomic energy, or with the economic plans and the private, corporate and state relationships in the several countries.

(b) Affording the duly accredited representatives of the authority unimpeded rights of ingress, egress and access for the performance of their inspections and other duties into, from and within the territory of every participating nation, unhindered by national or local authorities.

(c) Prohibiting the manufacture, possession, and use of atomic weapons by all nations parties thereto and by all of their nationals.

(d) Providing for disposal of any existing stocks of atomic bombs.

(e) Specifying the means and methods of determining violations of its terms, stigmatizing such violations as international crimes, and establishing the nature of the measures of enforcement and punishment to be imposed upon individuals and upon nations guilty of violating its provisions.

The judicial or other processes for determination of violations of the treaty and of punishment therefor, should be swift and certain. Serious violations of the treaty should be reported immediately by the authority to the nations party to the treaty and to the Security Council. In dealing with such violations, the permanent members of the Security Council should agree not to exercise their power of veto to protect a violator of the terms of the treaty from the consequences of his wrong doing.

The provisions of the treaty would be wholly ineffectual if, in any such situations, the enforcement provisions of the treaty could be rendered nugatory by the veto of a state which has voluntarily signed the treaty.

(4) The treaty should embrace the entire program for putting the system of international control of atomic energy into effect and should provide a schedule for the completion of the transitional process over a period of time, step by step in an orderly and agreed sequence leading to the full and effective establishment of international control of atomic energy. In order that the transition may be accomplished as rapidly as possible and with safety and equity to all, this Commission should supervise the transitional process, as prescribed in the treaty, and should be empowered to determine when a particular stage or stages have been completed and subsequent ones are to commence.

## Scientific Information on Atomic Energy

On December 13 the Department of State released a document of particular significance, the fifth publication in its United States and United Nations Report Series. The book is entitled *The International Control of Atomic Energy: Scientific Information Transmitted to the United Nations Atomic Energy Commission, June 14, 1946 - October 14, 1946*. Prepared in the office of Bernard M. Baruch, United States Representative on the United Nations Atomic Energy Commission, it combines in original form the six volumes of scientific information which were transmitted to the Commission by Mr. Baruch as a basis for study. Dr. Richard C. Tolman, Scientific Adviser to the United States Representative, supervised the preparation of all the volumes.

## **Recommendations of United Maritime Consultative Council Submitted to United Nations**

[Released to the press December 4]

At the request of the United Maritime Consultative Council, the United States Government on December 1, 1946 formally transmitted to Trygve Lie, Secretary-General of the United Nations, the recommendations which the Council adopted at its second and final session held in Washington October 24-30, 1946.

In June 1946 the Secretary-General had requested by telegram the views of the United Maritime Consultative Council, then meeting in Amsterdam, on the question of the establishment of a world-wide intergovernmental shipping organization. The Council appointed a committee to consider in detail the possible constitution, scope, and procedures of such an organization. The committee, which consisted of representatives from Belgium, Canada, France, Netherlands, Norway, Poland, United Kingdom, and the United States, met in London on July 18, 1946 and prepared a draft plan and report for the consideration of the Council.

The Council at its Washington meeting in October agreed to recommend that an intergovernmental maritime consultative organization should be established as a specialized agency of the United Nations. It agreed further that each member government should take appropriate action in requesting the Economic and Social Council of the United Nations to convene a conference of all interested governments for the purpose of adopting a constitution for the proposed organization. As an interim measure pending the establishment of a permanent organization, the Council recommended that a Provisional Maritime Consultative Council be established.

The proposed permanent organization would provide machinery for cooperation among governments in the field of governmental regulation and practices relating to technical matters affecting shipping, would encourage the general adop-

tion of the highest practicable standards in matters concerning maritime safety and efficiency of navigation, would encourage the removal from shipping of all forms of discriminatory action and unnecessary restrictions by governments engaged in international trade, and would provide for the consideration of any general international shipping problems that may be referred to it by the United Nations. The proposed organization would be consultative and advisory in nature. Matters suitable for settlement through normal processes of international shipping would not be referred to it.

It is contemplated that the Provisional Council, a temporary consultative and advisory organization in which the United States has accepted membership, would provide an interim forum for the consideration of shipping problems and would also advise on matters relating to the draft constitution for a permanent intergovernmental maritime organization. The Provisional Council would meet from time to time pursuant to invitations from the member governments. It would have no headquarters or staff of its own, functioning in much the same manner as did its predecessor, the United Maritime Consultative Council, which expired October 31, 1946.

### **Resignation of Eugene Meyer as President of International Bank**

Eugene Meyer, president of the International Bank for Reconstruction and Development, announced on December 4 that he had submitted his resignation to the executive directors of the Bank, effective December 18, 1946, or such earlier date as his successor may be elected and take office, and that it had been accepted.

## Recommendations of the United Maritime Consultative Council to Member Governments

DEPARTMENT OF STATE,  
*Washington, December 3, 1946.*

The Honorable<sup>1</sup> . . .

MY DEAR MR. . . . : On March 5, 1946, I wrote a letter to you in which I outlined certain recommendations of the wartime United Maritime Executive Board. One of these recommendations provided for the establishment of a temporary consultative council for the purpose of study of any shipping problem which might arise during the period of transition from United Maritime Authority controls to free commercial shipping, such council to possess no executive powers.

The United Maritime Consultative Council, which resulted from those recommendations, held its second and final session in Washington, October 24–30, inclusive, and expired October 31, 1946, by its own terms of reference. The Council at its Washington meeting had before it a request from the Secretary General of the United Nations for the views of the United Maritime Consultative Council on the establishment of a world-wide intergovernmental shipping organization.

The Council agreed to recommend to its eighteen member governments the establishment through the machinery of the United Nations of a permanent shipping organization within a defined scope excluding matters which are suitable for settlement through the normal processes of international shipping business. As a temporary measure pending the establishment of a permanent organization, the Council recommended the formation of a Provisional Maritime Consultative Council. The proposed Provisional Council would provide an interim forum for the consideration of shipping problems of a technical and regulatory nature when referred to it by governments, and for the consideration of shipping problems of broader scope when referred to it by the United Nations. It would also advise on matters relating to the draft constitution for a permanent intergovernmental maritime organization. Its powers would

be consultative and advisory and, like the proposed permanent organization, it would not handle matters suitable for settlement through the normal processes of international shipping business. The Provisional Council would be informal and would not require any direct appropriation of funds from member governments since it would have no headquarters or staff of its own. The United States has accepted membership in the Provisional Council.

The United Maritime Consultative Council sent to the Secretary General of the United Nations a brief telegram informing the Secretary General of its action and stating that the text of its recommendations would follow. It requested that the United States transmit the text of these recommendations to the Secretary General on December 1, 1946. It is probable that these documents will be released during the next few days, and I desire you and your colleagues to be informed in advance of publication. I shall keep you informed regarding developments arising out of the recommendations transmitted to the Secretary General of the United Nations concerning the establishment of a permanent intergovernmental maritime organization.

If you desire any further information with respect to any of these matters, I should be glad to supply it.

Sincerely yours,

DEAN ACHESON,  
*Acting Secretary*

Enclosures:

1. UMCC 2/39—Recommendations of the United Maritime Consultative Council to Member Governments.

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<sup>1</sup> Identical letters were sent to Representative Schuyler Otis Bland, Chairman, House Committee on the Merchant Marine and Fisheries; Representative Sol Bloom, Chairman, House Committee on Foreign Affairs; Senator Tom Connally, Chairman, Senate Committee on Foreign Relations; and Senator Josiah W. Bailey, Chairman, Senate Committee on Commerce.

2. UMCC 2/29—Draft Convention for an Inter-Governmental Maritime Consultative Organization.

3. UMCC 2/35—Agreement for Provisional Maritime Consultative Council.

*Restricted* Revision of  
UMCC 2/39 (Final)

UNITED MARITIME CONSULTATIVE COUNCIL,  
WASHINGTON, D. C.

RECOMMENDATIONS OF THE UNITED MARITIME  
CONSULTATIVE COUNCIL TO MEMBER GOVERN-  
MENTS

*Adopted October 30, 1946*

The United Maritime Consultative Council during its second and final Session, being unanimously of the opinion that an Inter-Governmental Maritime Consultative Organization is required as a permanent agency in the shipping field, recommends to the Member Governments that—

(1) an Inter-Governmental Maritime Consultative Organization should be established as a specialized agency of the United Nations, as set forth in the draft convention for an Inter-Governmental Maritime Consultative Organization annexed hereto;

(2) each Member Government take appropriate action in requesting the Economic and Social Council to convene a conference of all interested governments for the purpose of adopting a constitution for an Inter-Governmental Maritime Consultative Organization as set forth in the annexed draft convention;

(3) in view of the fact that the United Maritime Consultative Council will cease to exist on October 31, 1946, a Provisional Maritime Consultative Council should be set up forthwith in accordance with the annexed Agreement for the establishment of a Provisional Maritime Consultative Council;

(4) government members of the United Maritime Consultative Council should accept as soon as possible the Agreement for a Provisional Maritime Consultative Council by notification to the government of the United Kingdom in accordance with Article V (1) thereof.

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*Restricted* UMCC 2/29  
(Final Document) October 30, 1946

UNITED MARITIME CONSULTATIVE COUNCIL,  
WASHINGTON, D. C.

The annexed Draft Convention for a permanent Inter-Governmental Maritime Consultative Organization was agreed by the Second Session of the United Maritime Consultative Council for recommendation to the Member

Governments and through them to the Economic and Social Council of the United Nations.

DRAFT CONVENTION FOR AN INTER-GOVERNMENTAL  
MARITIME CONSULTATIVE ORGANIZATION

The Governments party to the present Convention hereby establish the Inter-Governmental Maritime Consultative Organization (hereinafter referred to as "the Organization").

**Part I. Inter-Governmental Maritime  
Consultative Organization**

*Article I. Scope and Purposes of the Organization*

The scope and purposes of the Organization are:

i. to provide machinery for cooperation among Governments in the field of Governmental regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade, and to encourage the general adoption of the highest practicable standards in matters concerning maritime safety and efficiency of navigation;

ii. to encourage the removal of all forms of discriminatory action and unnecessary restrictions by Governments affecting shipping engaged in international trade so as to promote the availability of shipping services to the commerce of the world without discrimination;

iii. to provide for the consideration by the Organization of any shipping problems of an international character involving matters of general principle that may be referred to the Organization by the United Nations. Matters which are suitable for settlement through the normal processes of international shipping business are not within the scope of the Organization;

iv. to provide for the exchange of information among Governments on matters under consideration by the Organization.

*Article II. Functions*

*Section 1.* The functions of the Organization shall be consultative and advisory.

*Section 2.* In order to achieve the objectives set out in Article I, the functions of the Organization in relation to matters within its scope shall be—

(a) to consider and make recommendations upon matters arising under Subsections i and ii of Article I that may be remitted to it by Member Governments, by organs of the United Nations, or by other intergovernmental organizations, or upon matters referred to it under Subsection iii of Article I;

(b) to draft conventions, agreements, or other suitable instruments, and to recommend these to Governments and to intergovernmental organizations, and to convene such conferences as may be necessary;

(c) to provide machinery for consultation and exchange of information among Member Governments.

*Section 3.* In those matters which appear to the Organization suitable for settlement through the normal pro-

esses of international shipping business, the Organization shall so recommend.

### [Article III. Membership]

*Section 1.* Membership of the Organization shall be open to those members of the United Nations which sign this Convention without reservation as to subsequent formal acceptance or which, having signed this Convention with such reservation, later deposit with the Secretary-General of the United Nations their instruments of acceptance.

*Section 2.* Membership is also open to any other peace-loving states, not Members of the United Nations, upon recommendation of the Council by a two-thirds majority vote of the Members of the Assembly present and voting, subject to the Conditions of the Agreement between the Organization and the United Nations, pursuant to Article XI of this Convention.]

NOTE.—Matter in brackets [ ] is reserved for further consideration.

### Article IV. Organs

The Organization shall consist of an Assembly; a Council; a Maritime Safety Committee, and such other subsidiary organs as may be established by the Organization from time to time; and a Secretariat.

### Article V. The Assembly

*Section 1.* The Assembly shall consist of delegates of all Member Governments. Each Member Government shall be entitled to one vote.

*Section 2.* Regular meetings of the Assembly shall take place at least once every two years. Extraordinary meetings shall be convened within sixty days whenever one-third of the Member Governments give notice to the Secretary-General that they desire a meeting to be arranged, or at any time if deemed necessary by the Council.

*Section 3.* A majority of the Member Governments shall constitute a quorum for the meetings of the Assembly. Except as otherwise provided in this Convention or as may be provided expressly in other Conventions which confer powers on the Assembly, decisions shall be by majority vote of the Member Governments present and voting.

*Section 4.* The functions of the Assembly shall be—

(a) to elect at each meeting its President and other officers from among its Members;

(b) to determine its own rules of procedure except as otherwise provided herein;

(c) to establish any temporary or, upon recommendation of the Council, permanent subsidiary bodies it may consider to be necessary in addition to the Maritime Safety Committee;

(d) to elect the Member Governments to be represented on the Council, as provided in Section 1 of Article VI;

(e) to receive and consider the reports of the Council, and to decide upon any question referred to it by the Council;

(f) to vote the budget and determine the financial arrangements of the Organization, in accordance with Article X;

(g) to review the expenditures and approve the accounts of the Organization;

(h) to perform the functions of the Organization, provided that any recommendation by the Assembly on matters under Sections 2 (a) or 2 (b) of Article II shall require a majority vote including the concurring votes of a majority of the Member Governments represented on the Council;

(i) to refer or to delegate to the Council any matter within the scope of the Organization;

(j) to provide the opportunity for exchange of information and of views among Member Governments on questions within the scope of the Organization;

(k) [Insert powers necessary to establish a Maritime Safety Committee.]

NOTE.—Matter in brackets [ ] is reserved for further consideration.

### Article VI. The Council

*Section 1.* The Council shall consist of sixteen Member Governments to be elected by the Assembly. Eight shall be Governments of nations with the largest interest in the provision of international shipping services. Four shall be Governments of other maritime nations with the largest interest in international trade. The four remaining members shall be elected with regard to the desirability of adequate geographical representation on the Council.

*Section 2.* Member Governments chosen by the Assembly to be represented on the Council shall be so represented until the end of the next regular meeting of the Assembly. Vacancies on the Council occurring between regular meetings of the Assembly shall be filled by the Council which shall invite another Member Government to serve the unexpired term of the Member Government withdrawing. Governments shall be eligible for reelection. No Government shall have more than one vote on the Council.

*Section 3.* The Council shall elect its Chairman and adopt its own rules of procedure other than those specified herein. Twelve members shall constitute a quorum. The Council shall meet as often as may be necessary for the efficient discharge of its duties upon the summons of its Chairman or upon request by not less than four of its members. It shall meet at such places as may be convenient.

*Section 4.* Any Member Government not represented on the Council shall be informed of any item on the Council's Agenda in which such Government is directly concerned. Such a Government may participate in the deliberations of the Council on such an item but shall not be entitled to vote.

*Section 5.* The Council shall receive the Maritime Safety Committee's recommendations and reports and

shall transmit them to the Assembly or to Governments when the Assembly is not in session, together with the Council's comments and recommendations.

*Section 6.* The Council, with the approval of the Assembly, shall appoint a Secretary-General. The Council shall also make provision for the appointment of such other personnel as may be necessary, and determine the terms and conditions of service of the Secretary-General and other personnel, which terms and conditions shall conform as far as possible with those of other United Nations organizations.

*Section 7.* The Council shall make a report to the Assembly at each meeting of all action taken since the previous meeting of the Assembly.

*Section 8.* The Council shall submit to the Assembly the budget estimates and the financial statements of the Organization, together with its comments and recommendations.

*Section 9.* The Council shall conclude the agreements or arrangements covering the Organization's relationship with other organizations, as provided for in Article XI, which shall require the confirmation of the Assembly.

*Section 10.* Between meetings of the Assembly, the Council shall perform all the functions of the Organization provided for in Section 2 of Article II.

### *[Article VII. Maritime Safety Committee]*

*Section 1.* The Maritime Safety Committee shall consist of fourteen Member Governments selected by the Assembly from the governments of those nations having an important interest in maritime safety, of which not less than eight shall be the largest shipowning nations, and the remainder shall be selected so as to ensure adequate representation of other nations with important interests in maritime safety and of major geographical areas. Membership of the Committee shall be for a period of — years. Governments shall be eligible for reelection.

*Section 2.* Subject to the provisions of Section 5 of Article VI, the committee shall have the duty of considering any matter within the scope of the Organization and concerned with aids to navigation, construction and equipment of vessels, manning from a safety standpoint, rules for the prevention of collisions, handling of dangerous cargoes, maritime safety procedures and requirements, hydrographic information, logbooks and navigational records, marine casualty investigation, salvage and rescue, and any other matters directly affecting maritime safety. These duties shall include the task of establishing working relationships with other intergovernmental bodies concerned with transport and communications as may further the object of the organization in promoting safety of life at sea and facilitate the coordination of activities in the fields of shipping, aviation, and telecommunications with respect to safety and rescue. The committee shall make regular reports to the Council and make its recommendations in respect of all such matters in accordance with the procedure in Section 5 of Article VI.

NOTE.—The foregoing sections of this Article are tenta-

tively suggested, since the scope and functions of the Maritime Safety Committee will be developed on the basis of the type of a draft convention emerging from the contemplated technical conferences.]

### *Article VIII. The Secretariat*

*Section 1.* The Secretariat shall comprise the Secretary-General and such staff as the Organization may require. The Secretary-General shall be appointed by the Council pursuant to Article VI. The Secretary-General shall be the chief administrative officer of the Organization.

*Section 2.* The Secretary-General shall appoint such staff as may be necessary for the efficient discharge of the functions of the Organization, under regulations to be established by the Council. In engaging his staff, the Secretary-General shall secure such diversity of nationality as is compatible with efficient performance of their duties.

*Section 3.* The Secretariat shall maintain all such records as may be necessary for the efficient discharge of the functions of all branches of the Organization and shall prepare, collect, and circulate such papers, documents, agenda, minutes, and information for the work of the Assembly, the Council, and its subsidiary organs.

*Section 4.* The Secretary-General shall keep Member Governments informed with respect to all activities of the Organization. Each Member Government may appoint one or more representatives for the purpose of communication with the Secretary-General.

*Section 5.* In the performance of their duties the Secretary-General and the staff shall not seek or receive instructions from any Government or from any authority external to the Organization. They shall refrain from any action which might reflect on their position as international officers. Each Member of the Organization on its part undertakes to respect the exclusively international character of the Secretary-General and the staff and not to seek to influence them.

*Section 6.* The Secretary-General shall perform such other tasks as may be assigned to him by this Convention, by the Assembly, and by the Council.

### *Article IX. Legal Capacity, Privileges, and Immunities*

*[Section 1.* The Organization shall enjoy in the territory of each of its Members such legal capacity as may be necessary for the exercise of its functions and the fulfillment of its purposes.

*Section 2. (a)* The Organization shall enjoy in the territory of each of its Members such privileges and immunities as are necessary for the fulfillment of its purposes.

*(b)* Representatives of the Members of the Organization, including alternates, advisers, officials and employees of the Organization, shall similarly enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connection with the Organization.

*Section 3.* Such legal capacity, privileges and immunities

shall be defined in a separate agreement to be prepared by the Organization in consultation with the Secretary-General of the United Nations and concluded among the Members.]

NOTE.—Matter in brackets [ ] is reserved for further consideration.

### *Article X. Finances*

*Section 1.* Each Member Government shall bear the salary, travel, and other expenses of its own delegation to the Assembly and of its representatives on the Council, on Committees, and on subsidiary working groups.

*Section 2.* The Council shall cause to be prepared the annual budget estimates of the Organization, and a statement of the Organization's accounts, including all receipts and expenditures, which shall be submitted to the Assembly in accordance with Section 8 of Article VI.

*Section 3.* Subject to any agreement between the Organization and the United Nations, the Assembly shall review and approve the budget estimates. [The Assembly shall apportion the expenses among the Members in accordance with a scale to be fixed by the Assembly.]

*Section 4.* Funds shall be advanced by each Member Government to cover the initial expenses of the Organization, which shall be credited to its contribution.

*Section 5.* Any Member Government which fails to discharge within one year from the date on which a budget is approved by the Assembly its financial obligations to the Organization resulting from that budget shall have no vote in the Assembly or the Council, except that the Assembly may, at its discretion, waive this provision.

### *Article XI. Relationships With Other Organizations*

*Section 1.* The Organization shall be brought into relationship with the United Nations in accordance with Article 57 of the Charter of the United Nations as the specialized agency in the field of shipping. This relationship shall be effected through an agreement with the United Nations under Article 63 of the Charter of the United Nations, which agreement shall be concluded by the Council as provided in Section 9 of Article VI.

*Section 2.* The Organization may, on matters within its scope, enter into relationships with other intergovernmental organizations whose interests and activities are related to its purposes.

*Section 3.* The Organization may, on matters within its scope, make suitable arrangements for consultation and cooperation with nongovernmental international organizations.

### *Article XII. Headquarters of the Organization*

*Section 1.* The headquarters of the Organization shall be established at \_\_\_\_\_.

## **Part II. Provisions Relating to Maritime Safety**

### *Article XIII*

(It is contemplated that provisions relating to maritime

safety will be developed by a technical conference on this subject)

## **Part III. The Convention in General**

### *[Article XIV. Entry Into Force]*

The present Convention shall come into force when 16 nations, of which 5 shall each have a total tonnage of not less than 1,000,000 gross tons of shipping, have become parties to it in accordance with Article XV.]

NOTE.—Matter in brackets [ ] is reserved for further consideration.

### *[Article XV. Accessions and Denunciations]*

*Section 1.* Subject to the provisions of Article III, Governments may become parties to this Convention by—

(i) signature without reservations as to subsequent formal acceptance;

(ii) signature subject to formal acceptance; or

(iii) acceptance.

Acceptance shall be effected by the deposit of a formal instrument with the Secretary-General of the United Nations.

*Section 2.* The present Convention may be denounced on behalf of any Member Government, insofar as that Member Government is concerned, at any time after the expiration of three years from the date on which the Convention comes into force with respect to that Member Government. Denunciations shall be effected by notification in writing addressed to the Secretary-General of the Organization. The Secretary-General of the Organization shall notify all Member Governments and the Secretary-General of the United Nations thereof, stating the date on which such denunciation is effective. Any such denunciation shall be effective twelve months after the date on which notification is received by the Secretary-General of the Organization.]

### *[Article XVI. Interpretation]*

*Section 1.* The English and French texts of this Convention shall be equally authentic.

*Section 2.* Any question or dispute concerning the interpretation or application of this Convention shall be settled by the Assembly or in such other manner as the parties to such dispute agree or, failing such mode of settlement, shall be referred to the International Court of Justice in accordance with Article 96 of the Charter of the United Nations.]

### *[Article XVII. Amendments]*

Texts of proposed amendments to this Convention shall be communicated by the Secretary-General to Member Governments at least six months in advance of their consideration by the Assembly. Amendments shall become effective upon receiving the approval of two-thirds majority of the Assembly, including the concurring votes of a majority of the Member Governments represented on the Council; provided however, that amendments involv-

ing new obligations for Member Governments shall take effect in respect of Member Governments which have accepted them when not less than two-thirds of the total number of Member Governments have indicated their approval. If, in its opinion, the amendment is of such a nature as to justify this course, the Assembly in its resolution recommending adoption may provide that any Member Government which has not accepted within a specified period after the amendment has come into force shall thereupon cease to be a member of the Organization and a party to the Convention.]

NOTE.—Matter in brackets [ ] is reserved for further consideration.

Restricted Revision of UMCC 2/35  
Final Document October 30, 1946

UNITED MARITIME CONSULTATIVE COUNCIL,  
WASHINGTON, D. C.

AGREEMENT FOR PROVISIONAL MARITIME  
CONSULTATIVE COUNCIL

*Article I. Scope and Purposes*

The Provisional Maritime Consultative Council shall be established as a temporary organization pending the establishment of a permanent intergovernmental agency in the maritime field—

i. to provide machinery for cooperation among Governments in the field of Governmental regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade, and to encourage the general adoption of the highest practicable standards in matters concerning maritime safety and efficiency of navigation;

ii. to encourage the removal of all forms of discriminatory action and unnecessary restrictions by Governments affecting shipping engaged in international trade so as to promote the availability of shipping services to the commerce of the world without discrimination;

iii. to provide for the consideration by the Council of any shipping problems of an international character involving matters of general principle that may be referred to the Council by the United Nations. Matters which are suitable for settlement through the normal processes of international shipping business are not within the scope of the Council.

iv. to provide for the exchange of information among Governments on matters under consideration by the Council.

*Article II. Functions*

The functions of the Provisional Maritime Consultative Council, which shall be consultative and advisory, shall be—

(a) To consider and make recommendations on any matter within its scope as set forth in *Sections (i) and (ii) of Article I.*

(b) To consider and make recommendations on matters within its scope upon the request of any organ of the United Nations or other intergovernmental specialized agency.

(c) To advise on matters relating to the draft constitution for a permanent intergovernmental maritime organization.

*Article III. Membership*

Membership in the Council shall consist of those governments which notify the Government of the United Kingdom of their acceptance of this Agreement, being either governments members of the UMCC or governments members of the United Nations.

*Article IV. Organization*

(1) The Council shall consist of all Member Governments.

(2) The Council may elect an Executive Committee consisting of twelve member governments which shall exercise such functions as may be delegated to it by the Council. The Executive Committee shall not be established by the Council until at least twenty governments have accepted this agreement.

(3) The Council shall at each session determine the host government and the time for its next meeting. Upon the request of not less than four of the members the Chairman shall summon the Council for an earlier date. The Government of \_\_\_\_\_ shall convene the first meeting of the Council at any time after March 1, 1947.

(4) The host Government arranged for each session shall designate a Chairman who shall hold office until the host Government for the next following session has been decided, and shall provide the necessary secretariat for meetings held within its territory.

(5) Decisions of the Council shall be taken by a majority of those present and voting. Ten Members shall constitute a quorum. The Council shall otherwise determine its own rules of procedure.

*Article V. Entry Into Force*

(1) This agreement shall remain open for acceptance in the archives of the Government of the United Kingdom and shall enter into force when twelve Governments, of which five shall each have a total tonnage of not less than 1,000,000 g. t. of shipping have accepted it.

(2) As soon as this agreement has come into force, a copy of the agreement together with the names of the Governments who have accepted it shall be sent by the Government of the United Kingdom to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations.

*Article VI. Termination*

This agreement shall cease to have effect upon the entry into force of a constitution for a permanent intergovernmental maritime organization or if the membership falls below twelve. A member government may withdraw at any time upon six months' notice to the Government of the United Kingdom.

## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### *Calendar of Meetings*<sup>1</sup>

<b>In Session as of December 8, 1946</b>		
Far Eastern Commission . . . . .	Washington . . . . .	February 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	March 25
Military Staff Committee . . . . .	Lake Success . . . . .	March 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
UNRRA - Intergovernmental Committee on Refugees (IGCR), Joint Planning Committee	Washington and Lake Success	July 25
General Assembly . . . . .	Flushing Meadows . . . . .	October 23-December 11 (tentative)
Telecommunications Advisory Committee . . . . .	Lake Success . . . . .	November 10
Economic and Social Council: Commission on Narcotic Drugs . . . . .	Lake Success . . . . .	November 27-December 10 (tentative)
German External Property Negotiations:		
With Portugal (Safehaven) . . . . .	Lisbon . . . . .	September 3
With Spain . . . . .	Madrid . . . . .	November 12
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	October 24
FAO: Preparatory Commission To Study World Food Board Proposals	Washington . . . . .	October 28
Council of Foreign Ministers . . . . .	New York . . . . .	November 4
Inter-Allied Reparations Agency (IARA): Meetings on Conflicting Custodial Claims . . . . .	Brussels . . . . .	November 6
UNESCO:		
"Month" Exhibition . . . . .	Paris . . . . .	November 21-December 20
General Conference, First Session . . . . .	Paris . . . . .	November 19-December 10
PICAO:		
Divisional		
Communications Division . . . . .	Montreal . . . . .	November 19-December 7
Search and Rescue Division . . . . .	Montreal . . . . .	November 26
Rules of the Air and Air Traffic Control Practices Division . . . . .	Montreal . . . . .	December 3
Inter-American Commission of Women: Fifth Annual Assembly . . . . .	Washington . . . . .	December 2-12

<sup>1</sup> Prepared in the Division of International Conferences, Department of State.

*Calendar of Meetings—Continued*

<b>Scheduled for December 1946 - February 1947</b>		
UNRRA Council, Sixth Session . . . . .	Washington . . . . .	December 10
Caribbean Commission . . . . .	Curaçao . . . . .	December 10
United Nations:		
Meeting of Postal Experts . . . . .	New York . . . . .	December 10
Meeting of Governmental Experts on Passport and Frontier Formalities	Geneva . . . . .	January 14-29
Economic and Social Council <sup>1</sup>		
Drafting Committee of International Trade Organization, Preparatory Committee	Lake Success . . . . .	January 20-February 28
Economic and Employment Commission . . . . .	Lake Success . . . . .	January 20-February 5
Social Commission . . . . .	Lake Success . . . . .	January 20-February 5
Subcommission on Economic Reconstruction of Devastated Areas	Geneva . . . . .	January 27-February 13
Human Rights Commission . . . . .	Lake Success . . . . .	January 27-February 11
Population Commission . . . . .	Lake Success . . . . .	January 27-February 11
Statistical Commission . . . . .	Lake Success . . . . .	February 6-20
Commission on the Status of Women . . . . .	Lake Success . . . . .	February 12-27
Transport and Communications Commission . . . . .	Lake Success . . . . .	February 17-28
Non-governmental Organizations Committee . . . . .	Lake Success . . . . .	February 25-27
ECOSOC, Fourth Session of . . . . .	Lake Success . . . . .	February 28
Intergovernmental Committee on Refugees (IGCR): Sixth Plenary Session	London . . . . .	December 16
European Central Inland Transport Organization (ECITO), Sixth Session of the Council	Paris . . . . .	December 18
Meeting of Medical and Statistical Commissions of Inter-American Committee on Social Security	Washington . . . . .	January 6-11
PICAO:		
Divisional		
Personnel Licensing Division . . . . .	Montreal . . . . .	January 7
Aeronautical Maps and Charts Division . . . . .	Montreal . . . . .	January 14
Accident Investigation Division . . . . .	Montreal . . . . .	February 4
Airworthiness Division . . . . .	Montreal . . . . .	February 18
Airline Operating Practices Division . . . . .	Montreal . . . . .	February 25
Regional		
South Pacific Regional Air Navigation Meeting . . . . .	Melbourne . . . . .	February 1
Twelfth Pan American Sanitary Conference . . . . .	Caracas . . . . .	January 12-24
Second Pan American Conference on Sanitary Education . . . . .	Caracas . . . . .	January 12-24
ILO Industrial Committee on Petroleum Production and Refining . . . . .	Lima . . . . .	February 3-12

<sup>1</sup> ECOSOC Committee and Commission dates are tentative.

## *Activities and Developments*

### **PICAO EUROPEAN-MEDITERRANEAN AIR-TRAFFIC CONTROL CONFERENCE<sup>1</sup>**

The PICAO Conference of the Air Traffic Control Committee, European-Mediterranean Region, which met at Paris, October 28 to November 2, 1946, was held to complete air-traffic control plans for the European-Mediterranean region. The PICAO European Area Route Services Organization Conference, which met at Paris in April-May, 1946, had been unable to complete that section of the agenda covering air-traffic control.

The Conference was attended by the following states: Czechoslovakia, Denmark, Finland, France, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States, and Yugoslavia. Representatives were also present from the International Commission for Air Navigation (ICAN), the International Air Transport Association (IATA), and the Combined Air Traffic Advisory Committee (CATAC(E)). Clifford P. Burton, consultant, International Air Traffic Control, Civil Aeronautics Administration, represented the United States Government at this Conference.

The meeting developed an air route or airway system for the European-Mediterranean region (including Ireland) similar to the system now utilized in the United States. Only the heavily traveled air routes were designed as control areas, owing to the lack of facilities necessary for air navigation and air-traffic control. This concept is new to the European-Mediterranean region and, if successful, points the way toward world-wide adoption of such techniques and procedures. The British Isles were not included in the plan, since the United Kingdom did not concur in the concept agreed to by all the other representatives. The European-Mediterranean region plan was integrated with the nearly identical air-traffic control plans for the United States - occupied portion of Germany.

The quadrantal system of flight altitudes and the existing PICAO procedures for air navigation services were adopted with slight modifications. The plan calls for progressive implementation by each state with a concluding date given as January 1, 1947.

### **INTERNATIONAL WHALING CONFERENCE<sup>2</sup>**

The International Whaling Conference was held at Washington from November 20 to December 2, 1946 to consider problems pertaining to the conservation of world whale stocks. Representatives of 19 countries participated in the Conference. The following 14 countries were represented by plenipotentiary delegations: Argentina, Australia, Brazil, Canada, Chile, Denmark, France, Netherlands, New Zealand, Norway, Peru, Union of Soviet Socialist Republics, United Kingdom, and the United States. Observer delegations represented the following five countries: Iceland, Ireland, Portugal, Sweden, and the Union of South Africa.

The final documents of the Conference are: (1) an international whaling protocol; (2) an international whaling convention; (3) a final act. The results of the meeting, embodied in these documents, may be summarized as: the codification and expansion of existing international conservation regulations which pertain to whaling; and the establishment of an international whaling commission to amend these regulations from time to time in the future as conditions may require.

Since regulations previously adopted are already in effect for the 1946-1947 whaling season, the protocol agreed to at this Conference will be applicable to the 1947-1948 whaling season, and the convention will apply to the 1948-1949 and subsequent whaling seasons. The final documents will remain open for signature until December 16, 1946.

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<sup>1</sup> Prepared by the Division of International Conferences in collaboration with the Civil Aeronautics Administration.

<sup>2</sup> Prepared by the Division of International Conferences in collaboration with the Division of International Resources.

## THE RECORD OF THE WEEK

### Economic Integration of U. S. and U. K. Zones in Germany

[Released to the press December 3]

Secretary Byrnes and the British Foreign Secretary, Ernest Bevin, made public on December 3 the agreement which they have signed on behalf of their respective Governments which provides for the full economic integration of the United States and the United Kingdom zones of occupation in Germany and comes into effect on January 1, 1947.

The two Secretaries of State declared that they considered this agreement a first step in the economic unification of Germany as a whole which they hope will lead to discussions with the other occupying powers for the extension of these or similar arrangements to the other zones of occupation.

They stated that the United States and the United Kingdom have become equal partners in treating the two zones as a single area.

The agreement contemplates an economic program designed to make the area self-sustaining in three years. By this program it is expected not only to decrease the costs of occupation for the area but also to make possible the gradual restoration of a healthy non-aggressive German economy which will contribute materially to the economic stability of Europe.

Text of the agreement follows:

#### MEMORANDUM OF AGREEMENT<sup>1</sup>

Representatives of the two Governments have met at Washington to discuss the questions arising out of the economic fusion of their zones of occupation in Germany. They have taken as the basis of their discussion the fact that the aim of

the two Governments is to achieve the economic unity of Germany as a whole, in accordance with the agreement reached at Potsdam on 2nd August, 1945. The arrangements set out hereunder, for the United States and United Kingdom Zones, should be regarded as the first step towards the achievement of the economic unity of Germany as a whole in accordance with that agreement. The two Governments are ready at any time to enter into discussions with either of the other occupying powers with a view to the extension of these arrangements to their zones of occupation.

On this basis, agreement has been reached on the following paragraphs:

1. *Date of inception.* This agreement for the economic fusion of the two zones shall take effect on 1st January, 1947.

2. *Pooling of resources.* The two zones shall be treated as a single area for all economic purposes. The indigenous resources of the area and all imports into the area, including food, shall be pooled in order to produce a common standard of living.

3. *German administrative agencies.* The United States and United Kingdom Commanders-in-Chief are responsible for setting up under their joint control the German administrative agencies necessary to the economic unification of the two zones.

4. *Agency for foreign trade.* Responsibility for foreign trade will rest initially with the Joint Export-Import Agency (United States-United Kingdom) or such other agency as may be established by the two Commanders-in-Chief. This responsibility shall be transferred to the German administrative agency for foreign trade under joint supervision to the maximum extent permitted

<sup>1</sup> Signed on Dec. 2, 1946.

by the restrictions existing in foreign countries at any given period. (All references in this agreement to the Joint Export-Import Agency shall apply to this agency or to any agency established by the two Commanders-in-Chief to succeed it.)

5. *Basis of economic planning.* The aim of the two Governments is the achievement by the end of 1949 of a self-sustaining economy for the area.

6. *Sharing of financial responsibility.* Subject to the provision of the necessary appropriations, the Governments of the United States and the United Kingdom will become responsible on an equal basis for costs of approved imports brought into account after 31st December, 1946 (including stocks on hand financed by the respective Governments), insofar as those cannot be paid for from other sources, in accordance with the following provisions:

(a) For this purpose the imports of the area shall be divided into two categories: those imports required to prevent disease and unrest (Category A), which are financed in decreasing amounts by appropriated funds; and those further imports (including raw materials), however financed, which will be required if the economic state of the area is to recover to an extent sufficient to achieve the aim laid down in paragraph 5 of this Agreement (Category B).

(b) It is the intention of the two Governments that the full cost of Category A imports shall be defrayed as soon as possible, subject to sub-paragraph (c) below, from the proceeds of exports. Any portion of the cost of Category A imports which is not met by export proceeds will be defrayed by the two Governments in equal shares from appropriated funds.

(c) The proceeds of exports from the area shall be collected by the Joint Export-Import Agency and shall be used primarily for the provision of Category B imports until there is a surplus of export proceeds over the cost of these imports.

(d) In order to provide funds to procure Category B imports:

(i) The Government of the United Kingdom will make available to the Joint Export-Import Agency the sum of \$29,300,000 in settlement of the understanding reached in September, 1945, for the pooling of the proceeds of exports from the

two zones in proportion to import expenditures, which shall be credited to the United States contribution.

(ii) In addition to this sum the accumulated proceeds of exports from the United States Zone (estimated at \$14,500,000), will be made available to the Joint Export-Import Agency for the purchase of Category B imports.

(iii) The Government of the United Kingdom will provide Category B goods at the request of the Joint Export-Import Agency to a value equal to that of the United States contribution under sub-paragraphs (i) and (ii) above.

(iv) The Governments of the United States and the United Kingdom will make available to the Joint Export-Import Agency in like amounts their respective shares of the sum to be used for financing purchases of essential commodities for the German economy under the provisions, and upon ratification by the Government of Sweden, of the accord dated 18th July, 1946, between the Governments of the United States, the United Kingdom and France on the one hand and of Sweden on the other.

(v) Any further sums which are agreed by the Joint Export-Import Agency to be required for the purchase of Category B imports shall be provided by the two Governments on an equal basis in such manner as they may agree. To the extent that either Government advances sums for the purchase of raw materials for processing and re-export on special terms as regards security and repayment, the other Government may advance equal sums on similar terms.

(e) The costs incurred by the two Governments for their two zones before 1st January, 1947, and for the area thereafter, shall be recovered from future German exports in the shortest practicable time consistent with the rebuilding of the German economy on healthy non-aggressive lines.

7. *Relaxation of barriers to trade.* With a view to facilitating the expansion of German exports, barriers in the way of trade with Germany should be removed as rapidly as world conditions permit. To the same end the establishment of an exchange value for the mark should be undertaken as soon as this is practicable; financial reform should be

effected in Germany at an early date; and the exchange of full technical and business communications between Germany and other countries should be facilitated as soon as possible. Potential buyers of German goods should be provided access to both zones to the full extent that facilities permit, and normal business channels should be restored as soon as possible.

8. *Procurement.* The determination of import requirements shall be the responsibility of the Joint Export-Import Agency. The procurement of these requirements shall be dealt with as follows:

(i) Procurement of Category A imports to the extent that they are financed from appropriated funds of either Government shall be the responsibility of that Government.

(ii) Procurement of Category B imports and of Category A imports to the extent that they are not financed by appropriated funds shall be the responsibility of the Joint Export-Import Agency, with such assistance from the two Governments as may be desired.

Unless otherwise agreed, subject to the provisions of this paragraph, procurement shall be from the most economical source of supply. However, the sources shall be selected to the fullest extent practicable, so as to minimize the drain on the dollar resources of the United Kingdom.

The two Governments will establish a joint committee in Washington with the following responsibilities:

(a) In the case of commodities in short supply, to support the requirements of the Joint Export-Import Agency before the appropriate authorities.

(b) To determine, where necessary, sources of supply and to designate procurement agencies having regard to the financial responsibilities and exchange resources of the two Governments.

With respect to sub-paragraph (a) above, the two Governments agree to assist the committee in obtaining the requirements of the Joint Export-Import Agency having regard to all other legitimate claims on available world supply. With respect to sub-paragraph (b) above, where the financial responsibility rests with one Government, and the designated source of supply is the territory under the authority of the other Government, the

latter, if so requested, will accept responsibility for procuring those supplies as agent for the former.

9. *Currency and banking arrangements.* The Bipartite Finance Committee (United States-United Kingdom) will be authorized to open accounts with approved banks of the countries in which the Joint Export-Import Agency is operating, provided that agreements are negotiated with those countries for credit balances to be transferred on demand into dollars or sterling. The Bipartite Finance Committee will be authorized to accept payment of balances in either dollars or sterling, whichever, in the judgment of the Joint Export-Import Agency, may be better utilized in financing essential imports.

10. *Food.* The two Governments will support, to the full extent that appropriated and other funds will permit, an increase in the present ration standard to 1800 calories for the normal consumer as soon as the world food supply permits. This standard is accepted as the minimum which will support a reasonable economic recovery in Germany. However, in view of the current world food supply, a ration standard of 1550 calories for the normal consumer must be accepted at present.

11. *Imports for displaced persons.* Subject to any international arrangements which may subsequently be made for the maintenance of displaced persons, the maintenance of displaced persons within both zones from the German economy shall not exceed the maintenance of German citizens from this economy. Supplementary rations and other benefits which may be provided for displaced persons in excess of those available to German citizens must be brought in to Germany without cost to the German economy.

12. *Duration.* It is the intention of the two Governments that this agreement shall govern their mutual arrangements for the economic administration of the area pending agreement for the treatment of Germany as an economic unit or until amended by mutual agreement. It shall be reviewed at yearly intervals.

JAMES F. BYRNES  
ERNEST BEVIN

## Conference on the Palestine Situation

### STATEMENT BY THE SECRETARY OF STATE

[Released to the press December 7]

Some weeks ago I stated that while Mr. Bevin was in New York I would discuss with him the Palestine situation. Since that time Mr. Bevin and I have had several conferences on the subject. Among other things, he advised me that a meeting is scheduled in London in January, to which meeting the representative leaders of Jews and Arabs have been invited. With reference to that meeting there has been an exchange of the following communications:

December 2, 1946—letter from Mr. Byrnes to Mr. Bevin.

December 2, 1946—letter from Mr. Bevin to Mr. Byrnes.

After investigation, it is my opinion that a permanent solution of the very serious Palestine problem will be greatly facilitated if there is a free and full conference between the representatives of the

British Government and the Jewish and Arab leaders.

Mr. Bevin's letter is assurance that the conference in January will offer an opportunity for the conferees to meet on terms of equality to discuss whatever proposals the several conferees desire to have discussed.

In view of his assurances, I think that the leaders of the Jews and Arabs should attend the conference and discuss the whole problem.

In September His Majesty's Government invited the United States to send an observer to the conference. At that time we could not see our way clear to accept the invitation. Mr. Bevin has orally renewed the invitation of his Government and in view of the assurances contained in his letter, the United States Government feels that the leaders of the Jews and Arabs should attend the conference. If they do, the United States will accept the invitation to have an observer at that conference.

### EXCHANGE OF LETTERS BETWEEN THE SECRETARY OF STATE AND THE BRITISH FOREIGN SECRETARY

[Released to the press December 7]

*December 2, 1946.*

DEAR ERNEST:

Referring to your letter of November 29 as to the Palestine matter, I note your statement that His Majesty's Government will study more carefully all suggestions submitted at the Conference.

The Jewish leaders, with whom I have recently conferred, regardless of views formerly held by them, now regard the partition proposal as the

most practical long-term solution. My opinion is that before agreeing to attend the Conference in January, they would want to be assured specifically that the partition proposal favored by them would be fully considered by His Majesty's Government.

I wish that you would let me know whether the British are prepared to give serious consideration to alternative proposals offered by the conferees.

Sincerely yours,

JAMES F. BYRNES

UNITED KINGDOM DELEGATION TO THE  
COUNCIL OF FOREIGN MINISTERS

*New York, 2nd December, 1946.*

DEAR JAMES:

Thank you for your letter of December 2 about the Palestine Conference.

I am very pleased to have the opportunity of assuring you that all proposals made by the Arab, Jewish, and British Delegations at the Conference will be given equal status on the Conference

agenda. His Majesty's Government do not regard themselves as committed in advance to their own proposals. Nor, of course, are they prepared to commit themselves in advance to any other proposals.

His Majesty's Government will be ready to consider every possibility of reaching an agreed settlement, and will study most carefully all subjects submitted to the Conference.

Yours sincerely,

ERNEST BEVIN

## U.S. Position on Repatriation of Prisoners of War

### STATEMENT BY THE SECRETARY OF STATE<sup>1</sup>

In the closing days of the war, the number of German soldiers made prisoners of war increased to such an extent as to present a serious problem behind our lines. To relieve this problem, our military officials transferred to the custody of France, Belgium, the Netherlands, and Luxembourg a large number of these prisoners. Therefore, the United States Government feels a responsibility for their release.

Recent figures show that of the prisoners taken by the American forces and assigned to other countries, there remain in France, 620,000; Belgium, 40,000; Netherlands, 10,000; Luxembourg, 4,000.

In France, where the largest number of prisoners of war were transferred, there remain on the farms approximately 280,000; in the coal mines approximately 40,000; while the balance are employed in varied occupations.

Secretary Byrnes has called to the attention of these several governments that under the letter and the spirit of the Geneva convention, these prisoners should be returned as soon as possible after the cessation of active hostilities, and the time has arrived to arrange for their return to Germany.

The War Department has repatriated all pris-

oners of war who were in the United States, except 153 Germans and 22 Italians (or a total of 175) who are in the United States only because they are in hospitals or disciplinary institutions.

Under direct control of the American forces in Europe, there are about 96,000 German prisoners of war, including those in Germany. Steps are being taken to release these prisoners at an early date.

Secretary Byrnes has requested the several European governments to release under a graduated program the 674,000 German prisoners of war transferred to Allied nations. The program will be completed in every country not later than October 1, 1947. Consideration has been given to the continuing need of manpower in the economic rehabilitation of the liberated nations, and therefore there will be an orderly withdrawal of the prisoners of war by occupational groups in a manner which will least disturb the economic rehabilitation of Europe.

Belgium and Luxembourg have advised Secretary Byrnes that they can complete the repatriation of prisoners in their custody by next July. The Netherlands expressed accord with the program. While the Secretary has not yet received a formal reply from France, he feels, as a result of conversations with officials of the French Government, that France is in accord with the objectives.

<sup>1</sup> Released by the Secretary of State in New York, N.Y., on Dec. 5, 1946.

## U. S. Position Regarding UNRRA

BY ACTING SECRETARY ACHESON<sup>1</sup>

No country should be given free relief unless it has adopted all reasonable measures to help itself.

Under any impartial application of this test, some of the UNRRA countries would be ruled out.

If a country is maintaining a large army which has to be fed and supplied and which is non-productive, should such a country be eligible for free relief?

The maintenance of such an army may be the right of any country, just as any country may experiment as it chooses with its economic system even though doing so may play havoc with production. But in that case should it ask or expect gifts of food and supplies from other countries?

Should a country expect other countries to furnish it with tractors and agricultural implements at a time when it is employing its manufacturing facilities for building tanks and other weapons of warfare?

The United States Government is pressing forward in the United Nations with an international organization to care for, repatriate, or resettle refugees. This is because the facts warrant such an organization. But the United States does not believe that post-UNRRA relief should be conducted by an UNRRA type of organization.

It is now quite evident that many countries, which, when liberated, had no organized machinery for procuring and shipping needed supplies are now able to perform these services for themselves. The sooner these countries take over the complete responsibility for their own buying and shipping the better it will be for them and for everybody concerned. When a country can do these things for itself, it can usually do them better and cheaper than any international organization which may be set up for that purpose.

UNRRA's other function was the provision of foreign money to countries which lacked the means to pay for food and other imported supplies.

A moment's reflection should convince anyone that there has been a vast improvement in this field also.

Most of the liberated countries are gradually regaining their export trade.

In addition to this normal method of providing foreign purchasing power, the United States and other countries have by loans and otherwise added enormously to the foreign-exchange resources of the world.

In the past 18 months, the United States Government alone has supplied foreign exchange in the following important particulars: 3 billions of dollars through loans by the Export-Import Bank, 3¾ billions of dollars' credit to the British Government which will be spent all over the world, 6 billions of dollars as the United States contribution to the Bretton Woods institutions, several billions of dollars' credit for financing lend-lease inventories and pipelines and the sale abroad of surplus property on credit. Thus, including contributions to UNRRA, the United States Government has made available a total of nearly 20 billion dollars to assist in restoring and stabilizing the economies of other countries. Many other countries have contributed to the capital of the International Bank for Reconstruction and Development and to the International Monetary Fund. Indeed, these two institutions will have at their disposal some 15 billions of dollars with which to give assistance to United Nations countries having need of such assistance for reconstruction, development, and the stabilization of their currencies. These two international financial institutions have now been organized and are ready for operation.

It will thus be seen that measures have been definitely taken for the provision of a total of about 30 billion dollars of foreign exchange.

It has been charged that the United States is abandoning international cooperation in refusing to participate in relief on an international basis.

<sup>1</sup>Excerpts from an address broadcast over the NBC network on Dec. 8, 1946, for complete text of which see Department of State press release 881 of Dec. 7, 1946.

It has also been charged that the United States intends to use food as a political weapon.

The plan of the United States for continuation of such relief as may be necessary in 1947 is very simple.

It should be remembered that comparatively few countries will continue to require relief after the early months of 1947 when UNRRA completes its task. There will probably be only three or four countries in Europe which can qualify as requiring free relief in order to avoid suffering and hardship.

The United States proposal is that each nation should immediately consider what it can contribute to the common 1947 relief effort. The Administration will recommend to Congress a generous appropriation for this purpose. Each country should discuss its plans with others, both those planning to help and those needing help, to obtain their views and to coordinate its activities with all others concerned. The Secretariat of the United Nations should be used as a clearing house by all such countries. The United States would keep the Secretary-General fully informed of what it is doing, and others should do the same.

In this manner, nations receiving free relief must prove their need for it, and they can be held to a much closer and fairer accountability of the use of food and other free supplies. Those in power will be compelled to distribute relief food on the basis of need. They will not be allowed to feed their political supporters and starve their political opponents.

The people of the United States and the Congress of the United States have made up their minds that the relief problems of the near future are not of a character which would warrant grants of enormous sums of money from the United States Treasury under conditions which would leave little or no effective control by the grantor of these funds.

The people of the United States are determined that they will not send free shipments of great quantities of food, trucks, tractors, and other supplies of all kinds, many of which they desperately need themselves, to countries which are diverting their manpower and facilities away from the production of the necessities of life which they are asking others to supply.

If the American people can be led to believe that this policy constitutes the use of food as a political weapon, then they do not deserve their reputation for native shrewdness and common sense.

## Czechoslovakia Extends Deadline For Tax Returns

[Released to the press December 6]

The Department of State has been informed by the American Embassy at Prague that the November 30 deadline for filing returns in connection with the increase in property values and capital levy tax has been extended to March 31, 1947 for persons who do not reside within the territory of the Czechoslovak Republic.

Formal notification of the extension of the deadline was made to the Embassy on December 3 by the Czechoslovak Foreign Office. The increase in property values and capital levy tax was contained in Czech law no. 134 of May 15, 1946.

Information available to the Department of State regarding other aspects of the law is printed in the BULLETIN of November 17, 1946, page 915.

## U. S. - Netherlands Commercial Policy Agreement

[Released to the press December 5]

*On November 21, 1946 notes were exchanged between the Ambassador of the Netherlands and the Acting Secretary of State, embodying an agreement between the Netherlands Government and the Government of the United States concerning commercial policy. In the agreement the two Governments declare that pending the conclusion of negotiations at the proposed general international conference on trade and employment, expected to occur in the latter part of 1947, it will be their policy to abstain from adopting new measures which would prejudice the objectives of the conference.*

*November 21, 1946.*

### EXCELLENCY:

I have the honor to make the following statement of the understanding reached during the discussions concerning the "Proposals for Expansion of World Trade and Employment", transmitted to the Netherlands Government by the Government of the United States of America, and the

## United States and Italy, 1936-1946: Documentary Record

Progress toward the drafting of the treaty of peace with Italy at the current New York meeting of the Council of Foreign Ministers lends timely interest to a recent Department of State publication entitled *United States and Italy, 1936-1946: Documentary Record*. The documents contained in this 236-page volume present a chronological review of American relations with Italy beginning with a statement by Count Ciano on October 25, 1936 proclaiming the establishment of the "Rome-Berlin Axis" and ending with an address by Secretary Byrnes on May 20, 1946 reporting progress made toward peace with Italy at the Paris meeting of the Council of Foreign Ministers.

general international conference on trade and employment contemplated by those Proposals.

Pending the conclusion of the negotiations at this conference, the Netherlands Government and the Government of the United States of America declare it to be their policy to abstain from adopting new measures which would prejudice the objectives of the conference. In this connection your Government has indicated that it may need to adopt special measures for the Netherlands and for the Netherlands Indies in view of the extraordinary conditions consequent upon the termination of the war. My Government recognizes that it may be necessary for the Netherlands Government to take certain emergency measures during the post-war transitional period, and in fact has provided for such measures in the aforementioned Proposals. Any such emergency measures would not, of course, prejudice the objectives of the conference. It is understood, moreover, that modifications in the Netherlands customs tariff, on the basis of the Customs Agreement of September 5, 1944 between the Governments of the Netherlands, Belgium and Luxembourg, would not be considered new measures, since a result of this customs agreement will be that the general level of tariff rates for the three countries as a whole will not be raised. Our two Governments shall afford each other an adequate opportunity for consultation regarding proposed measures falling within the scope of this paragraph.

I have the honor to suggest that this note and Your Excellency's reply confirming the foregoing shall be regarded as constituting an agreement between our two Governments concerning this matter.

Accept [etc.]

DEAN ACHESON

*November 21, 1946.*

SIR:

I have the honor to acknowledge the receipt of your note of today's date in regard to the understanding reached during the recent discussions concerning the proposed general international conference on trade and employment, and hereby confirm your statement of the understanding reached as therein set out.

Accept [etc.]

A. LOUDON

The subject matter may be divided broadly into three periods: 1936-41, covering this Government's efforts to keep Fascist Italy out of the European War; 1941-45, covering the conduct of the war with Italy and with the German armies in Italy; and finally 1945-46, covering post-war efforts to solve outstanding problems involved in the creation of a just and enduring peace. Several documents published here for the first time are: the protocol signed November 9, 1943 relating to the Italian armistice; the Instrument of Local Surrender of German Forces in Italy; and the Suggested Directive to Deputies from the Council of Foreign Ministers on the treaty of peace with Italy.

Explanatory footnotes, documentary appendices, and maps afford background information, make clear the significance of many of the documents, and provide essential connecting links in the development of the diplomatic and military events. The volume was compiled and annotated by Mrs. Velma H. Cassidy of the Division of Historical Policy Research, Department of State.

Copies of *United States and Italy, 1936-1946: Documentary Record* (Department of State publication 2669, European Series 17) may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D.C., for 65 cents each.

# Full Productivity and World Trade

BY WILLARD L. THORP<sup>1</sup>

A number of elements are involved in the effective functioning of an economic system: namely, resources, manpower, capital, technical knowledge, immediate organization, and the general environmental condition. . . . Under every heading, there are tragic lines and reasons why the mention of full productivity is anachronistic.

## Resources

At first glance it might seem that the war could have very little effect upon the sources of raw materials available to any national economy. However, that is not true for total war. In the case of agriculture, for example, the very earth itself has lost of its productivity. Five years without fertilizer has demonstrated the importance of the maintenance of the soil, and a small fraction of the acreage still has dangerous mines and unexploded bombs and shells planted in it. In the great food-producing areas in Poland and Russia the scorched-earth policy and the havoc wreaked by the invaders reduced production levels far below normal. The damage done to irrigation and drainage projects in countries like Italy and Greece and to the dikes in the low countries of Western Europe took millions of Europe's best acres out of cultivation. And the livestock picture in Europe is one of the unhappiest aspects of the agricultural scene.

To consider another raw-material item, one of the most pervasive problems in Europe is that of coal. There are many factors responsible for the slow recovery of coal production in the Ruhr, but certainly one of them is the amount of destruction done to the mining facilities during the war.

<sup>1</sup>Excerpts from an address made before the Society for the Advancement of Management in New York, N.Y., on Dec. 6, 1946. For complete text of the address, see Department of State press release 869 of Dec. 6. Mr. Thorp is Assistant Secretary of State for Economic Affairs.

And coal is a primary commodity in every economy in Europe.

It is also important to note that no country in the world relies exclusively upon its own resources but every one must import some part of its raw-material requirements. When the foreign-trade machinery breaks down and nations are unable to obtain the cotton and the hides and the silk and the copper and the potash which they need, it has all the effect of an actual destruction of these resources for them. So we must start our review of the economic difficulties in many foreign countries, recognizing that they do not have the same supplies of materials and readily available resources to work with as they have been accustomed to in the past.

## Manpower

There are all too many reasons for there to be a limitation on productivity. Millions were killed and wounded. Other millions died of maltreatment or starvation. Still other millions have never returned to their homes where their work habits were established—the hundreds of thousands of war prisoners still held in work camps in other countries and the hundreds of thousands of displaced persons in Austria and Germany. But even those who are back at home are not really capable of full productivity. They have lived and are living on limited and restricted diets for too long. Too many of them are physically unable to do the work which they used to do.

Here we have one of those tragic vicious circles which appear all too often. Men are unable to do a full day's work because of the lack of nutrition; the failure to do a full day's work either limits the food which is grown or limits the goods produced which can be used to buy food.

To these basic tragic elements should be added a number of others in the manpower area—the lack of housing, for example, for many cities had four out of every five houses destroyed in the war.

Or even the lack of such ordinary items as bicycles. I am told that in the Netherlands one of the great obstacles to the resumption of economic activity was that so many workmen who were accustomed to bicycle to work had had their bicycles seized by the invaders.

It is probably a correct generalization that the manpower problem in Europe is not based on the actual number of men and women available; there are probably as many at work as in 1938. The number of registered unemployed is low compared with pre-war, and in some countries there are serious shortages of skilled workers. But the rate of absenteeism is very high, and for many reasons the average output per worker is substantially below what it was before the war. What does full productivity mean for such people?

### Capital

Here we face the direct effect of bombing and shelling, much of which was aimed at the destruction of the economic potential of the countries involved. Beyond the direct war damage itself is the inevitable process of looting and the effect of various reparation programs on the defeated nations.

Of course, the industry of producing statistics also has not recovered from the war. Only rather rough estimates are available. However, in the countries in Western Europe, one may place the average damage to structures and movable wealth at something like 20 percent of the pre-war national wealth. But as one goes eastward the picture becomes progressively more serious. In the case of Western Germany and Greece it probably was nearer 50 percent, and probably exceeds one half of the total pre-war national wealth, excluding land, in Western Russia, Poland, and part of Yugoslavia.

One must also keep in mind the fact that for the whole war period, there was over-use and under-maintenance of capital goods. Unskilled personnel contributed its share to the damage. In the case of rolling stock, where the length of life is never very long, the lack of repair was almost as important a factor in diminishing the amount of effective and available equipment as was direct war damage.

Capital also is something which is involved in a

vicious circle, since capital helps to produce more capital—a kind of compound-interest operation. When one thinks of the tremendous efforts made over the last 30 years by the Soviet Union, with its great natural resources to build up its capital, and realizes that even at the end of the next five-year plan it will still reach only about one third of the level of wealth already achieved by the United States, one realizes the difficulty and gradualness of capital accumulation. And machines depend upon machines. The operation of capital equipment requires a whole series of maintenance items, spare parts, and the like. This process is sadly disorganized. To rebuild this system of supply for machinery will be a long and difficult task.

Capital is a word which refers in our usage both to machinery and the like and to funds which may be used to purchase such items. Many countries have little of either. And our high level of productivity in the United States is probably due less to superior labor or resources than it is to the ingenious ways in which capital has been used in the process of production. This has taken a long time to accomplish, and we too would have trouble in recovering if we should suddenly lose a substantial part of it.

### Technical Knowledge

One of the less heralded accomplishments of the war was the extent to which technical knowledge was pooled. The United States and the United Kingdom in particular made available to each other their forward steps in technology and speeded up rapidly the cumulative operation of scientific progress. But there are whole areas of the world which during this same period were cut off from these new developments. I offer an illustration from a business firm in a country in Central Europe which had drawn up plans for its reconstruction. Its government purchasing mission in this country endeavored to place an order for the necessary machines. Much to its dismay it discovered that the machines were no longer manufactured and that an entirely new and different process had taken their place. That was completely unknown to the manufacturer in that European country.

While I have been talking about technical knowledge at the higher level, it should also be

noted that for a number of years young men have not moved in the usual numbers to take up their apprenticeship in coal mines, textile mills, and the like. There are millions of such individuals whose only technical skill is to make war and who must now be educated to the technique of making goods.

All of you know that it is not enough to possess the necessary elements to produce goods. There must be organization. You are familiar with the accounting term of a "going concern". That is one case where the whole is equal to more than the sum of its parts. One serious aftermath of the war is the disruption of the actual and immediate organizations necessary to do business. Of course, it may be that one of the other essential elements is missing. There may be the machines and the labor and the knowledge but no raw materials. But it also may be that there is no one with the knowledge and the energy and the authority to bring the elements together into a creative whole.

I suspect that one of the reasons that we were able to produce so magnificently during the war was that we kept our "going concerns" going, and we shifted them from one line of production to another with confidence because the tested organization was there.

#### **Organization**

This problem of organization is perhaps greatest in the defeated countries. The program for removing Fascists and Nazis from positions of authority has meant the removal of many of the individuals who would normally have provided the experience and continuity for the resumption of economic activities. I certainly do not wish to quarrel with this policy. It would be much too dangerous to allow such people to continue in positions of authority, but the fact remains that it will take time to replace them with individuals of equal effectiveness.

#### **Environmental Conditions**

Many of these countries have been going through what amounts to a revolution. Some of them are operating with coalition governments, including so many varied elements as to make it difficult for them to move vigorously in any single direction. National budgets are far from balanced, and already we have seen severe inflation in Greece and Hungary and partial inflation

in other countries. Transportation, which is so essential to carrying on all types of economic operation, is limited by shortages of rolling stock and damaged port facilities. Everywhere there are foreign-exchange controls, and many countries are making drastic efforts to keep their international payments in balance by elaborate systems of foreign-trade restriction. The environment is hardly conducive to effective economic operation

These six elements in the economic process lead to full productivity. We cannot provide them all to other countries. We cannot actually create full productivity elsewhere, but we can do many things to assist the process.

In the economic field, there is the International Trade Organization, suggested by the United States many months ago and recently considered at some length by the representatives of 17 countries at a conference in London. Its purpose is the creating of conditions leading more directly to the expansion of world trade and employment. It is concerned with the reduction of barriers to trade, both those created by governments, like tariffs and quota systems, and those created by private groups, like the allocation-of-the-market agreements made by cartels. The International Trade Organization would also tackle those great and difficult problems which arise when particular commodities produced in many countries develop conditions of burdensome surpluses. In general, it would be a continuing international agency concerned with the problems arising in connection with the international exchange of goods and services.

Thus we have a broad international economic program, aimed not only at helping countries to recover something like their normal economic life but also at creating a world environment conducive to the expansion of world trade and the upward trend of living standards everywhere. This can well be called an American program, not so much because its broad outlines happen to have been developed largely in the United States but because it is so consistent with our own concepts of economic progress.

It is obvious that, in world terms, full produc-

ity cannot be achieved if each nation endeavors to attain self-sufficiency—if the flow of raw materials and finished goods is governed by the imposition of artificial interferences rather than by the operation of economic forces. We could raise bananas in greenhouses in the United States, but no world economic efficiency expert would recommend it.

High barriers to trade, like those which were built in the late twenties and thirties, have no place in a world concerned with raising the standard of living. We do not like to see energy wasted. We do not like to see opportunities lost. We have a kind of “instinct of workmanship” which makes full productivity a goal worth striving for. We would not impose our system on other countries, but we do want to give them the opportunity to create the environment in which this objective can be achieved.

## United States Interest in India

### STATEMENT BY ACTING SECRETARY ACHESON

[Released to the press on December 31]

The United States awaits with deep concern the outcome of the current talks in London between the Indian political leaders and the British Government. I feel most strongly that it will be in the interest of India, as well as of the whole world, for its leaders to grasp this opportunity to establish a stable and peaceful India.

The crux of the internal problem now confronting India appears to arise from differences of opinion between the two principal parties as to the conditions under which provinces can elect to join or remain out of sub-federations in northwest and northeast India. I am confident that if the Indian leaders show the magnanimous spirit the occasion demands they can go forward together on the basis of the clear provisions on this point contained in the constitutional plan proposed by the British Cabinet Mission last spring to forge a Indian federal union in which all elements of the population have ample scope to achieve their legitimate political and economic aspirations.

The United States has long taken a sympathetic interest in the progressive realization of India's

political destiny. It has welcomed the forward-looking spirit behind the comprehensive programs of industrial and agricultural advancement recently formulated in that country. Lastly, by our recent establishment of full diplomatic relations with the interim government of India, we have expressed in tangible form our confidence in the ability of the Indian leaders to make the vital decisions that lie immediately ahead, with full awareness that their actions at this moment in history may directly affect world peace and prosperity for generations to come.

## Visit of Former Siamese Regent

His Excellency Pridi Banomyong, former Regent and former Prime Minister of Siam, and Madame Pridi arrived in Washington on Saturday, December 7, and will stay at the Blair-Lee House as guests of the Government until Wednesday, December 11.

## Air-Transport Agreements With Australia and New Zealand

The Department of State announced that on December 3 the United States concluded bilateral air-transport agreements with Australia and New Zealand, climaxing several months of discussions in Washington between the Department and the Civil Aeronautics Board and the Australian and New Zealand representatives.<sup>1</sup> The agreements were signed on behalf of the United States by Acting Secretary of State Dean Acheson and Ambassador Norman Makin. Capt. Edgar C. Johnston, Assistant Director General of Civil Aviation, signed for Australia, while the New Zealand Minister, Sir Carl Berendsen, and John S. Reid, First Secretary of Legation, signed for New Zealand.

The route to be operated by the American air service to Australia will proceed from the Pacific Coast to Sydney via Honolulu, Canton Island, the Fiji Islands, and an optional stop at

<sup>1</sup>For texts of the agreements, see Department of State press release 861 of Dec. 3, 1946.

New Caledonia, with provision for an extension from Sydney to Melbourne at such time as the latter is designated as a terminal for international air services. The route to New Zealand follows the foregoing route to Australia as far as the optional stop at New Caledonia, and there branches to Auckland. Pan American World Airways System is the American company certificated by the Civil Aeronautics Board to operate to both Australia and New Zealand.

The Australian airline will operate to San Francisco via an optional stop at New Caledonia, the Fiji Islands, Canton Island, and Honolulu, with an optional extension from San Francisco to Vancouver. The New Zealand service is authorized over the same route, omitting the optional stop at New Caledonia.

The agreements permit Australia and New Zealand to designate a single airline to exercise jointly the respective rights granted by the United States to those two Governments, provided substantial ownership and effective control of such airline are vested in nationals of the two countries.

Most of the provisions in the two agreements are identical, a number of them being based on the standard clauses drafted at the Chicago aviation conference in 1944. Also included are certain provisions contained in the United States-British air-transport agreement signed at Bermuda in February 1946,<sup>1</sup> such as those relating to settlement of disputes, Fifth-Freedom traffic, and determination of rates.

## U.S. Reclaims Burma Lend-Lease Lead

To ease a serious lead shortage in this country, the Government of the United States has obtained 450 tons of pig lead of lend-lease origin located at Rangoon, Burma, the Department of State announced on December 6.

The lead, to be returned to the United States shortly by the Reconstruction Finance Corporation, was part of a former lend-lease shipment destined for China which never arrived there because of the wartime Japanese occupation of Burma.

<sup>1</sup> BULLETIN of Apr. 7, 1946, p. 584.

## Fur Limitation Rumor Denied

[Released to the press December 6]

It has been brought to the attention of the Department of State that a rumor is being widely circulated in fur-trade circles of the United States and Canada that the Government of the United States intends to impose restrictive quotas on imports of fox furs and mink, limiting their import to 15 percent of the amounts entering from any country in the pre-war period.

There is no substance whatsoever to this rumor

## "Nazi Conspiracy and Aggression" Volume VII

Volume VII, the fifth of a set of eight volumes entitled *Nazi Conspiracy and Aggression*, has been released for publication by the Office of Chief of Counsel for Prosecution of Axis Criminality, the War Department announced on November 30. The books are being sold by the Government Printing Office for \$18 a set but are being distributed as each volume is completed.

Volume VII contains documentary evidence introduced during the trial, as well as many documents used for background material in the case against the major Nazi war criminals.

## Letters of Credence

### *Syria*

The newly appointed Minister of Syria, Dr. Costi K. Zurayk, presented his credentials to the President on December 3. For text of the Minister's remarks and the President's reply, see Department of State press release 859 of December 3, 1946.

### *Austria*

The newly appointed Minister of Austria, Dr. Ludwig Kleinwächter, presented his credentials to the President on December 4. For texts of the Minister's remarks and the President's reply, see Department of State press release 864 of December 4, 1946.

## Addresses and Statements of the Week

William V. McNutt, American Ambassador to the Republic of the Philippines	On the subject of American-Philippine relations. Text issued as press release 856 of Dec. 2. Not printed.	Delivered before the Democratic Women's Club in Washington on Dec. 2.
Walter D. Acheson, Acting Secretary Acheson . . . .	Statement on India. Text issued as press release 862 of Dec. 3. Printed in this issue.	Made on Dec. 3.
Willard L. Thorp, Assistant Secretary of State for Economic Affairs	"Full Productivity and World Trade." Text issued as press release 869 of Dec. 6. Excerpts printed in this issue.	Delivered before the Society for the Advancement of Management in New York on Dec. 6.
William Benton, Assistant Secretary for Public Affairs	"A Decent Respect for the Opinions of Mankind." Text issued as press release 873 of Dec. 6. Not printed.	Delivered before the American Club in Paris on Dec. 5.
Walter D. Acheson, Acting Secretary Acheson . . . .	Statement on the death of Dr. Leo S. Rowe, Director General of the Pan American Union. Text issued as press release 874 of Dec. 6. Not printed.	Made on Dec. 6.
Phillip H. Braden, Assistant Secretary for American Republic Affairs	Statement on the death of Dr. Leo S. Rowe. Text issued as press release 877 of Dec. 6. Not printed.	Made on Dec. 6.
Walter D. Acheson, Acting Secretary of State . . . . .	Statement on the death of Dr. Leo S. Rowe. Text issued as press release 878 of Dec. 6. Not printed.	Made on Dec. 6.
Walter D. Acheson, Acting Secretary Acheson . . . .	"U. S. Position Regarding UNRRA." Text issued as press release 881 of Dec. 7. Excerpts printed in this issue.	Broadcast over the NBC network on Dec. 8.
Walter D. Acheson, Acting Secretary of State . . . . .	Statement on the Palestine situation. Text issued as press release 882 of Dec. 7. Printed in this issue.	Made on Dec. 7.
Walter D. Acheson, Acting Secretary Acheson . . . .	Statement on death of Cimon P. Diamantopoulos, Ambassador of Greece. Text issued as press release 883 of Dec. 7. Not printed.	Made on Dec. 7.

## THE DEPARTMENT

### Appointment of Officers

Willard L. Thorp was administered the oath of office as Assistant Secretary of State for Economic Affairs on November 15, 1946.

Charles E. Bohlen as Special Assistant to the Secretary, Office of the Secretary, effective November 13, 1946.

H. Gerald Smith as Special Assistant to the Assistant Secretary, Office of the Assistant Secretary for American Republic Affairs, effective October 20, 1946.

Carl B. Spaeth as Consultant, Office of the Assistant Secretary for American Republic Affairs, effective November 1, 1946.

Otto E. Gnthe as Chief, Division of Map Intelligence and Cartography, Office of Intelligence Coordination and Liaison, effective September 22, 1946.

### Departmental Regulations

116.1 To the Office of the Legal Adviser (LE), published in the BULLETIN of November 10, 1946, page 874, add the following:

#### I FUNCTIONS (continued).

##### D Administration. (Added 12-1-46)

1 Providing legal services for the Assistant Secretary for Administration and for the Offices and Divisions under the direction of the Assistant Secretary for Administration.

#### II ORGANIZATION (continued).

C Assistant Legal Adviser for Administration and Foreign Service. (Added 12-1-46)

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## Contributors

*James Gilbert Evans*, author of the article on American Cotton Foreign Policy, is Chief of the Fibers Section, Division of International Resources, Office of International Trade Policy, Department of State.

*Glen A. Gilbert*, author of the article on the PICAO Middle East Regional Air Navigation Meeting, was Chairman of the United States Delegation to the conference and is Chief, Technical Mission, Civil Aeronautics Administration.

# The Department of State

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Vol. XV, No. 390  
December 22, 1946



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*The Department of State* bulletin

VOL. XV, No. 390 • PUBLICATION 2711

December 22, 1946

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, 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.*

For sale by the Superintendent of Documents  
U. S. Government Printing Office  
Washington 25, D. C.

SUBSCRIPTION:  
52 issues, \$3.50; single copy, 10 cents

Published with the approval of the  
Director of the Bureau of the Budget

## CARTOHYPNOSIS

by S. W. Boggs

*Hypnotism by cartography may occur when people accept maps uncritically. Self-hypnotism and illusion are sometimes experienced innocently. Mass hypnotism is practised by those who desire to delude the public. People can seldom be hypnotized against their will. Maps may be employed to de-hypnotize people and to awaken them to a better understanding of the world today.*

Many primitive societies are quite unaccustomed to maps. For them, territorial and boundary questions are relatively simple and radically different from those of map-conscious nations. For example, when two tribes in a certain region near the Indian-Afghan frontier find difficulty in agreeing upon a common tribal boundary they sometimes have recourse, as recounted by Col. A. H. McMahon, to laying down a boundary by oath. A leading man of one side is prevailed upon to undergo the ordeal and is accepted by both sides. Holding the Koran firmly on his bare head, the soles of his feet being bare and cleansed of every particle of his own tribal soil, and having taken every precaution to save his soul from perjury, he steps out, amid a scene of excited tribesmen, and the course he follows becomes the unquestioned boundary line. It may unexpectedly diverge widely from both claims, but salient points are sometimes found to be marked by crumbling rock cairns of great age whose existence had long been forgotten. Boundary makers of many nations wish their tasks were as simple and as easy!

Map-conscious people, however, usually accept unconsciously and uncritically the ideas that are suggested to them by maps. This is true in part

because maps appear to represent facts pertaining to mother earth herself; veracity and authority beyond their deserts are frequently attributed to them. In what may be called "cartohypnosis" or "hypnotism by cartography", the map user or the audience exhibits a high degree of suggestibility in respect to stimuli aroused by the map and its explanatory text.

Sometimes self-hypnotism and illusion occur quite innocently. Frequently, however, a sort of mass hypnotism is practiced by men who attempt to delude the public. Maps may also be used effectively to dehypnotize people; we should therefore consider what maps may be made, and how they may be used, to awaken people to an intelligent understanding of the world and the problems of our times.

### **Illusion and Confusion**

The innocence of some people's illusions when they look at maps uncritically reminds one of a four-year-old child's question, "Why do I see things when I shut my eyes that aren't there when I open them?" People often suppose that maps reveal facts which, if they were wide awake to maps, they would realize are not shown at all. An example of illusion and confusion, arising from use

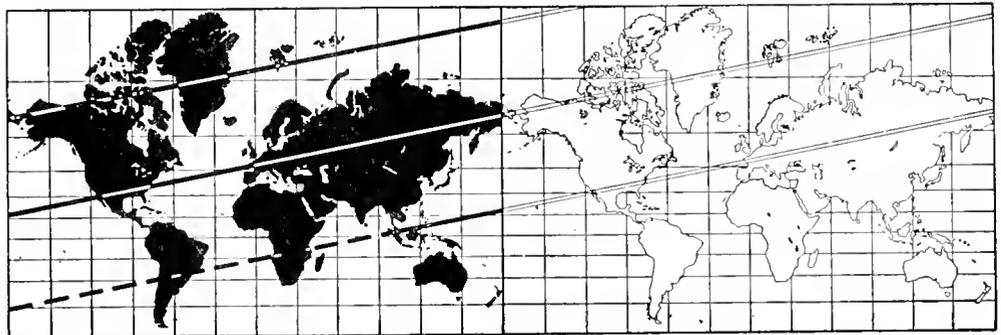
of the over-familiar Mercator projection, is shown on the accompanying map (fig. 1*a*)<sup>1</sup> on which there is added a long straight line indicating the true compass course known to mariners as "east by north". On the Mercator map every continuous true compass direction is a straight line,<sup>2</sup> whereas on the earth all such lines are spirals—except the meridians (great circles) and the parallels (small circles). The "E x N" line in figure 1*b* illustrates how such a spiral goes around the earth an infinite

number of times without actually reaching the North Pole.

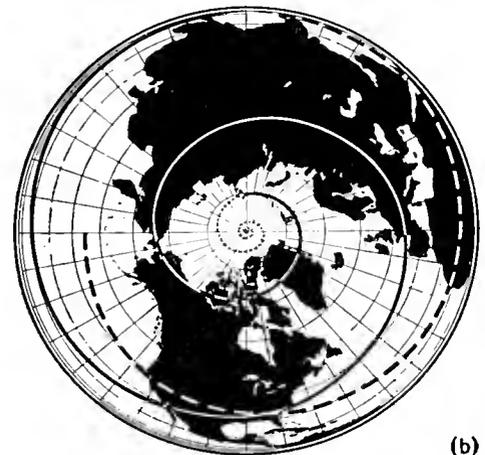
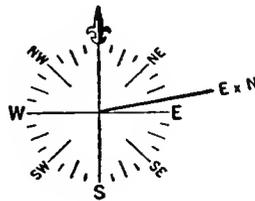
Illusion may occur when men use world maps instead of globes in seeking to understand some of the world relationships of our times. Observe, for example, a world map (fig. 2*a*) prepared by a brilliant geographer, Professor Halford Mackinder (now Sir Halford), to illustrate his famous paper on "The Geographical Pivot of History", which he read in 1904. The map was made on the Mercator projection; its limiting border is an

<sup>1</sup>Glossy reproduction prints of all of the illustrations are available from the Division of Publications, Department of State, upon request, if desired for plate making.

<sup>2</sup>The Mercator map projection is one in which the parallels of latitude, represented by straight lines, are mathematically spaced in such a way that, at any point on the map, the north-south and east-west scales are identical. In consequence, every true compass direction or course is a straight line of indefinite extension; this property makes the map especially useful to navigators in plotting courses at sea. The projection is *not* projected onto a cylinder from the center of the globe, as is often depicted—a very different and quite useless map.



(a)



(b)

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Figure 1. "East by North"

The compass course known to mariners as "East by North" (N. 78°45' E.) is a spiral that never quite reaches the North Pole. On (a), the Mercator map, it is a straight line which would be continuous if the map were repeated indefinitely. On (b), the Northern Hemisphere map, it appears as a true spiral—which is dotted in its poleward extension beyond the Mercator map limit. In the Southern Hemisphere on both maps the compass course is continued as a broken or dashed line.

ellipse; and parts of North and South America are repeated at the left and right sides of the map. The "pivot area" or "heartland" in north central Asia (which was for many centuries a region of horse and camel mobility insulated from the con-

tinental margins in large degree by deserts) is shown on the map as being bordered by an inner or marginal crescent of land accessible to ships, paralleled by an outer crescent of continents and islands festooned across the map. That is how

it appears on a particular map. When the Mackinder map is traced on a transparency and wrapped around a cylinder (and the Mercator map is, of course, developed mathematically as on a cylinder), the repeated areas will overlap (fig. 2*b*). But what is it like on the earth itself? As seen on the globe (approximated by the circular world map, fig. 2*c*), the left and right portions of the elliptical Mackinder world map correspond to a single lens-shaped area embracing that portion of the Americas which appears twice. To the north and south there are loops enclosing the polar regions



(a)



(b)



(c)

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Figure 2. Mackinder's map, "The Natural Seats of Power."

(a) Facsimile of a map by Professor Mackinder to illustrate a lecture on "The Geographical Pivot of History" in January 1904. Although on the Mercator projection (without parallels and meridians) it is in the form of an ellipse, a portion of the Americas is repeated at left and right. (b) The same map wrapped around a cylinder. (c) The limits of the same map shown on an azimuthal map. The lens-shaped area in the Americas appears twice on Mackinder's map; the loops around the North and South Poles are wholly missing on the Mackinder map; the remainder appears only once on Mackinder's map.

which are altogether missing from the map. The remainder of the earth's surface appears on the Mackinder map once and once only. The so-called "outer crescent," whose ends overlap in the Americas, and which traverses Australia and southern Africa, is seen on the globe as a belt obliquely encircling the earth; also, the Arctic area is seen in its spherical compactness in normal relationships to Eurasia and North America.

Professor Mackinder's own concept of "global realities" was clearly revealed in these words:

"... we shall ... have to deal with a closed political system ... of world-wide scope. Every explosion of social forces ... will be sharply re-echoed from the far side of the globe."

However, it would seem that the Mercator map suggested to its author the concept of an outer crescent, instead of what in reality is approximately an oblique circle; it seems to have suggested also an over-simplified generalization in a sort of geometrical pattern of historical relationships. Much of Mackinder's paper, with the salutary critical comment which followed its presentation, is almost forgotten. In any event the map subsequently exerted a hypnotic influence on many thousands of people, for it was reproduced at least four times in the Nazi literature of geopolitics with perversions of the author's original intent which were destined to serve malevolent purposes in propaganda.

#### Delusion by Design

Maps are often deliberately employed to sell ideas to individuals and nations. In every continent maps have been used, and are now being used, to disseminate mischievous half-truths and to obfuscate the thinking of men. They are employed as graphic devices—subtly to suggest an idea, to inculcate a prejudice, or to instill patriotic fervor. Such maps may be true in every detail, but in their omissions and their perverse emphases they may be socially poisonous—as chlorine by itself is a poisonous gas, but an essential element in common salt.

In an article entitled "Magic Cartography", re-

<sup>3</sup> *Social Research* (September 1941), vol. 8, pp. 310-330.

<sup>4</sup> See article by Russell H. Fifield, *BULLETIN* of June 24, 1945, p. 1152.

lating to the uses of maps in propaganda, Hans Speier<sup>3</sup> observes:

"The use of maps in propaganda is dependent upon highly developed techniques of map making and reproduction, a certain minimum of mass education in reading cartographic symbols and a specific organization of society. This organization may be characterized briefly as one in which the individual's functional dependence and loyalties extend far beyond the area of his immediate experiences.

"... [Maps] may make certain traits and properties of the world they depict more intelligible—or may distort or deny them. ... They may give information, but they may also plead. Maps can be symbols of conquest or tokens of revenge, instruments for airing grievances or expressions of pride. Indeed, maps are so widely used in propaganda and for such different purposes that it is difficult to understand why propaganda analysts have paid so little attention to them.

"Propagandists ... rediscover ... symbolic values in maps, and by exploiting them, turn geography into a kind of magic. ... The propagandist's primary concern is never the truth of an idea but its successful communication to a public.

"Entirely new possibilities in the use of maps for political propaganda are revealed by the *film*. The German propagandists have realized that. ... [when they produced] moving maps.

"... [Maps] are essentially scientific. The propagandist who uses them borrows the prestige of science and at the same time violates its spirit."

Chimerical cartography was effectively employed in the propagation of ideas by the Nazi geopoliticians.<sup>4</sup> Dr. K. Frenzel, addressing the German Cartographic Society in Berlin, October 22, 1938, declared:

"Every map has a suggestive force! Man is an ocular creature. He reacts to that which he sees and can take in at a glance."

The private cartographic industry was declared to bear a very heavy responsibility as a mediator between science and the people, and between the policies of the government and the people. Every map had to be submitted before publication to all government departments that might have an inter-

est in it. An obligatory organization of several large publishers of school atlases was created in order that unified school atlases would be published for the whole Reich.

Special symbols and devices, adapted to a minimum of mass education in reading maps, were developed and standardized by frenetic propagandists, in order to convey ideas of threatening forces, attack and resistance to attack, hostile encirclement, and the like. Posters in railway stations and other public places utilized maps that had a powerful effect upon the uncritical mass of the population.

In Italy cartography was employed by Mussolini to stimulate an urge for territorial expansion. Most striking, perhaps, was the series of maps on a wall in Rome, erected on the Via Imperiale, a new boulevard cut through from the National Monument to the restored Forum. On these maps, which were executed in choice marbles of selected colors, the growth of Rome from a city state to the empires of Augustus and Trajan was artistically depicted. The purpose was obvious; the method artful. The dominion of Rome once encircled the Mediterranean. Modern Italy's destiny seemed manifest; *mare nostrum* was again used with the present tense. No critical appraisal of the lack of pertinence of the extent of Trajan's conquests to the role that can or should be played by Italians in the twentieth century world was ever tolerated.

The map of Hungary, in a park in Budapest, delineated in a pattern of flowers and foliage which portrayed Hungary's former and current territorial extent, was for years a striking example of cartographic propaganda. Surrounded by stirring words of a famous Magyar poetess, spelled out in the foliage, and with the national flag nearby always at half-staff in perpetual mourning for territories lost after the first World War, people were never to be allowed to accept the imposed territorial changes.

#### Intelligent Use of Maps

In a distraught world whose teeming millions sometimes hesitatingly follow their leaders and would-be leaders as they pick their way among the rubble of shattered cities and ideas, honest and critical thinking about maps is important. Men, women, and even children should all be more criti-

cal of the maps they see in daily papers and periodical publications, in books and atlases, and on the screen. They need to be taught to *read* maps (an art in itself), and not merely to *consult* maps (frequently only for location of a single city or point, or regarding a route of travel). Economists, historians, political scientists, and others need to cultivate a keener sense of earth distributions of resources and of peoples and their activities—which necessitates development of ability to read distributional maps.

Cartohypnosis is no more common, however, than delusion and confusion of the mind by subtle uses of words and phrases—but it is perhaps more difficult for the average man to protect himself against the use of mischievous maps. Even the phrases of the most honest men are sometimes inadequate, for as Whitehead remarked, "the success of language in conveying information is vastly overrated, especially in learned circles".<sup>5</sup>

The map user who desires to guard against becoming the victim of cartohypnosis should keep in mind three things:

(a) That it is the actual situation on the earth that is significant;

(b) That maps have definite limitations as well as certain unique capabilities; and

(c) That map makers are human.

(a) It is what one would find on the ground, in all its complexity, and not simply what one finds on a map, that is significant. In looking at a map one may well ask, "What the map shows may be perfectly true, but what is the whole truth? What is on the ground—including peoples, and their customs, their ideas and prejudices? What other types of information are pertinent to the subject?"

A small-scale map in a newspaper, designed to indicate territorial transfers and boundary changes, cannot reveal the bilingual populations and the economic and cultural ties between peoples throughout the region. Men could not be so sanguine of solving some of the present perplexing political problems by means of shifting international boundaries in areas in which boundary changes are ardently advocated (always in other people's territory), if some of the mappable data regarding economic interdependence and cul-

<sup>5</sup> A. N. Whitehead, *Adventure of Ideas*, p. 370.

tural transition zones were adequately visualized on maps.

(b) Like an aerial photograph that reveals a pattern, perhaps of archeological origin, almost erased by time and imperceptible on the ground—or like an X-ray photograph—a map may disclose patterns of great significance which are not discernible on surface inspection. Many maps based on statistical data thus reveal pertinent invisible transitions which, if even suspected, would be only vaguely perceived on visiting the area.

A map is unique in its capacity to represent with fidelity literally millions of observed facts, accurately generalized and artistically presented, conveying to the mind a vivid, true picture of the distribution of certain phenomena on the earth's surface that could not be obtained in any other manner. Large-scale topographic maps, for example, if they are highly accurate, belong to this category.

But the limitations of a map should be borne in mind. One of the most important is that a map cannot be more accurate and reliable than the data upon which it is based. A map printed in beautiful colors may be of little value and may mislead the uncritical if it is a work of art. On the other hand, a crudely executed map compilation may be highly accurate and of the greatest importance.

People seldom consider that a map is like a single chapter in an encyclopedic compendium; one map cannot present the results of an inventory of geology, natural vegetation, and water resources. Any map that attempts to show too much is of little use.

Use of the Mercator projection for world maps should be abjured by authors and publishers for all purposes. The world is round. No man ever saw or will ever see a world that has much resemblance to the Mercator world map; and the misconceptions it has engendered have done infinite harm. A map that makes Greenland look larger than all South America, instead of smaller than Argentina, is not suited to portray world relationships. The Mercator is ideal only for navigation, each chart covering a relatively small area. Discrimination should always be exercised in selecting map bases for world maps, the choice depending upon the data or the relationships to be represented.

In this so-called "air age" in which men glibly talk of global relations—which are misleadingly visualized on *all* world maps, polar and otherwise—one ventures to suggest that the phrase *global geography* should be restricted to those aspects of world relations which can be rationally comprehended, without geometrical acrobatics, only with the aid of globes. The writer finds that transparent plastic hemispheres, some with geographical patterns and others with geometrical patterns imprinted, which can be moved into any position upon a globe resting only in a cup or ring, provide the best means of comparisons between one part of the globe and another. Map projection distortions and differences of scale are completely eliminated. After a situation is clearly seen on the globe itself, a map projection may be selected which is adapted to the special requirements of visualizing that particular set of data. There are, to be sure, many types of data which may be grasped even better when presented on maps than on globes. But there are other categories of highly significant relationships, notably the longer ocean trade routes, air routes and distances, radio and other wave propagations in the field of electronics, and problems relating to the peaceful development of atomic energy for the benefit of all mankind, which require the use of globes and certain types of accessories, and actually deserve the appellation *global geography*.

(c) Maps are made by men, and, as Wright has observed, "Map makers are human". Scientific integrity, painstaking accuracy, and cartographic skill are essential qualifications of the maker of the maps upon which the map user can rely.

#### **Maps That Ought To Be Made and Used**

Maps are not an end in themselves. If maps can be used as weapons, as Napoleon intimated they can also serve the needs of peace. Maps can play a unique part as aids in the analysis and solution of complex problems, and as tools in planning on community, national, and world scales. One of the most important uses to which maps can be put is to dehypnotize people, to wake them up to the facts and phenomena of the mid-twentieth century world, and to educate them to world understanding. Where words utterly fail, maps can some

times portray, vividly and memorably, some of the freshly and sharply etched but as yet dimly perceived lines of interplay between peoples in a world which in many areas is scarcely reminiscent of the conditions upon which our thinking is largely premised. We should bear in mind that, until the nineteenth century, there were no "world problems".

As a specific example among hundreds that could be suggested: In animated motion-picture maps the areas to which goods produced in Canton can be transported at equal increments of cost can be delineated. As the expanding waves of motion sweep across the oceans and along the railroads of Europe, the Americas, and Africa, they creep almost imperceptibly across China, beyond the meager pattern of railroads and motor roads—revealing that villages less than 500 miles from Canton are much farther, in terms of transport cost, than Omaha or Jerusalem. If four fifths of the people of China cannot trade with each other they cannot trade with the United States and other countries. To see a number of such examples for different continents on animated maps is to grasp the relationship between the lack of modern transport and the "time-worn misery" of low levels of living in large areas of the world.

The world needs maps that visualize economic interdependence of countries and regions; that locate the principal natural resources and their volume of production; that correlate the volume of commerce with decreasing costs of production and transport and that reveal the increases of trade over both short and great distances; that reflect trade balances and international balance of payments; that depict the rapidly expanding patterns of communication in terms of both total and per capita volume; that record the rapidly changing levels of living; that trace migrations of peoples in all parts of the world in recent decades; that disclose the areas in which disease constitutes a threat to health in distant lands—and many other types of maps, including some "maps" on transparent curved surfaces (part globes) for special purposes.

Resources of governments and of well-supported institutions are needed to underwrite the vast amount of research required in compiling many of the maps that ought to be made. Coordinated

programs of map production are essential if different series of maps are to be readily comparable, and if wall maps, atlas maps, lantern-slide maps, and animated motion-picture maps are to supplement each other. Important technical advances in the science and the art of cartography are desirable and possible. Very significant work will, of course, be done by individual geographers and cartographers not employed by governments or large institutions. Their contributions will be greater if they associate themselves with economists, historians, demographers, sociologists, political scientists, engineers, and other specialists of many nationalities.

### **Conclusion**

People can seldom be hypnotized against their will. Cartohypnosis can be eliminated as a threat to sane and wholesome development of the world in the interests of its human inhabitants, if people look at maps critically and honestly, and demand an abundant supply of accurate maps to show them what are the geographical relationships between peoples and their activities.

### **Some Geography from a Globe**

The most direct air route (great circle) from the Panama Canal to Tokyo passes over the Caribbean Sea, Yucatan, the Gulf of Mexico, near Austin, Salt Lake City, and Seattle, over the Pacific Ocean near Canada and Alaska, slightly north of the Aleutian Islands in the Bering Sea, then again into the Pacific east of Kamchatka, the Kuriles, and Hokkaido. The distance is about 8,400 statute miles. By way of Honolulu the distance is about 9,100 statute miles.

If the Americas, the Atlantic, and Africa are traced on a transparent spherical surface and then superimposed on the Pacific, the proportions of that ocean are best perceived. Placing the Suez Canal over the Panama Canal, and Mozambique, East Africa, against the coast of Chile, the Pacific is seen broad enough to hold Africa, the wide south Atlantic, and South America without reaching Australia; or, passing from Mombasa north and west across the width of Africa, the Atlantic, and the Caribbean, one would cross Mexico to the Pacific coast before reaching Japan.

## BILATERAL AIR-TRANSPORT AGREEMENTS CONCLUDED BY THE UNITED STATES

by Joe D. Walstrom

*During the past two years the United States has concluded arrangements with 27 countries for the operation of American-flag international air services. Most of these are bilateral agreements, some of which are based on the "Chicago standard form" and others on the so-called "Bermuda principles".<sup>1</sup>*

*The accompanying article summarizes the similarities and variations between such agreements.*

On October 15, 1943 the Department of State and the Civil Aeronautics Board issued a joint statement relative to the development of American-flag air services in the international field, which contemplated that the CAB would certificate new American air services to foreign coun-

tries and that corresponding air rights would be negotiated by the Department of State in close collaboration with the CAB. These new services were certificated by the CAB during 1945 and 1946, in four decisions covering routes in specific areas of the world.

<sup>1</sup> The countries and dates of signature are as follows:

Australia . . . . .	December 3, 1946
Belgium . . . . .	April 5, 1946
Brazil . . . . .	September 6, 1946
Canada . . . . .	February 17, 1945
China . . . . .	November 29, 1946 <sup>2</sup>
Czechoslovakia . . . . .	January 3, 1946
Denmark . . . . .	December 16, 1944
Egypt . . . . .	June 15, 1946
France . . . . .	March 27, 1946
Greece . . . . .	March 27, 1946
Iceland . . . . .	January 27, 1945
India . . . . .	November 14, 1946
Iran . . . . .	December 17, 1945
Ireland . . . . .	February 3, 1945

Italy . . . . .	July 16, 1945
Lebanon . . . . .	August 11, 1946
New Zealand . . . . .	December 3, 1946
Norway . . . . .	October 6, 1945
Philippines . . . . .	November 16, 1946
Portugal . . . . .	December 6, 1945
Saudi Arabia . . . . .	January 2, 1946
Spain . . . . .	December 2, 1944
Sweden . . . . .	December 16, 1944
Switzerland . . . . .	August 3, 1945
Turkey . . . . .	February 12, 1946
United Kingdom . . . . .	February 11, 1946
Uruguay . . . . .	December 14, 1946

<sup>2</sup> Agreement initialed on this date and will be formally signed when translation formalities are completed.

In the meantime, the Chicago aviation conference of 1944 had anticipated the post-war development of civil aviation by producing various agreements and recommendations designed to facilitate the extension of world air routes through inter-governmental arrangements. Among these documents was the "Form of Standard Agreement for Provisional Air Routes." This is generally referred to as the "Chicago standard form", and, although originally drafted in multilateral language, it has been adopted by the United States and many other countries as a basis for negotiating bilateral air-transport agreements.

Since the Chicago conference, or within the period of slightly over two years, the United States has concluded arrangements for civil aviation landing rights with 27 countries. For the purpose of convenient reference these countries are listed above in alphabetical order, together with the dates on which such agreements were concluded.

The aforementioned arrangements, which in appropriate cases include the grant of air rights in a given country's territorial possessions as well as its homeland, are reciprocal in nature except in the cases of Iran, Italy, and Saudi Arabia; these Governments granted unilateral rights to be exercised by United States airlines pending the negotiation of more formal agreements at a later date. The agreements with Canada, France, Ireland, and the United Kingdom replace previous inter-governmental arrangements. Also in effect, and not listed above, is a bilateral agreement with Colombia dating from 1929.

In addition to the foregoing bilateral arrangements, and by virtue of the international air-services transit agreement (the so-called "two freedoms" agreement drawn up at the Chicago conference), United States airlines may exercise the rights of transit and non-traffic stop in certain other countries with which bilateral agreements have not yet been concluded. The international air-transport agreement (the Chicago "five freedoms" agreement) also permits American-flag services to enjoy full commercial traffic rights in a few countries not now included in this Government's framework of bilateral air arrangements. However, on July 25, 1946 the United States gave its year's notice of withdrawal from

the Chicago "five freedoms" agreement,<sup>3</sup> because of the limited acceptance of this document, the fact that air rights exchanged thereunder still had to be implemented with bilateral understandings, and the apparent preference of most countries to rely exclusively on bilateral arrangements at least until a more acceptable multilateral pact could be achieved.<sup>4</sup>

Appropriate air rights have also been obtained for United States air services certificated for operations in Germany and Austria. It is anticipated that similar rights will be forthcoming in the near future with respect to Japan.

The formal bilateral agreements negotiated by the United States achieve the primary purpose of obtaining satisfactory operating and traffic rights to be exercised by certificated United States airlines on their foreign routes. No two of these agreements are identical but, without going into a detailed analysis of each one, their basic similarities and variations are summarized briefly below.

#### **Chicago Type of Agreement**

Agreements concluded during the latter part of 1944, the year 1945, and the first part of 1946 are based generally on the clauses contained in the Chicago standard form mentioned previously. These clauses provide for the intergovernmental exchange of air rights to be exercised by designated airlines of the respective countries; equality of treatment and non-discriminatory practices with respect to airport charges, the imposition of customs duties and inspection fees, and the exemption from such duties and charges in certain cases; mutual recognition of airworthiness certificates and personnel licenses; compliance with laws and regulations pertaining to entry, clearance, immigration, passports, customs, and quarantine; criteria as to ownership and control of each country's air services; registration of pertinent agreements with PICAQ; termination of agreement on one year's notice; and procedure for amending the annex to the agreement.

The annex to the Chicago type of agreement is

<sup>3</sup> BULLETIN of Aug. 4, 1946, p. 236.

<sup>4</sup> A revised multilateral air-transport agreement is scheduled for consideration at the next assembly of PICAQ, which meets at Montreal in May 1947.

usually confined to describing the routes and traffic points granted to the air services of each contracting party. It imposes no restrictions on capacity of aircraft or number of schedules which may be operated, nor does it provide for determination of rates. It likewise places no limitation on the carriage of fifth-freedom traffic (the international traffic to, from, or between one or more intermediate points on the designated route).

This Chicago form was used by the United States in its agreements with Sweden, Denmark, Iceland, Ireland, Switzerland, Norway, Portugal, Czechoslovakia, and Turkey (named in the order in which they were concluded). The agreement with Spain, signed during the last days of the Chicago conference and concluded prior to any of the foregoing, conforms closely to the Chicago standard form, even though the latter had not been finally drafted at the time. The 1945 agreement with Canada cannot be said to be of the fifth-freedom type, since none of the routes provided therein involved this traffic. However, it is contemplated that the arrangement with Canada will be revised to include fifth-freedom traffic routes subsequently authorized by the United States and Canadian Governments for their respective air services.

### **The Bermuda Agreement**

Although, as indicated above, a number of countries have been willing to conclude bilateral arrangements with the United States based on the Chicago form, there were fundamental differences of opinion between some of the countries represented at the Chicago conference as to how international air transport should be developed. The United States and certain other countries favored a relatively liberal approach to the problem, without any arbitrary restrictions or predetermined formulae on capacity of aircraft, number of frequencies, carriage of fifth-freedom traffic, and fixing of rates. However, another group of countries led by the United Kingdom was not prepared to go this far and wanted these matters regulated to such an extent that, in the opinion of the United

States and other countries, the full development of air transport would be hampered. As the airlines of the United States, Britain, and other countries became better prepared to offer services to each other's territories it became obvious that these fundamental divergences in air policy should be reconciled. Accordingly, representatives of the United States and the United Kingdom met at Bermuda during the first part of this year and on February 11, 1946 signed a bilateral understanding which is generally known as the "Bermuda agreement".<sup>5</sup>

In addition to incorporating the Chicago standard clauses, the Bermuda agreement provides that disputes which cannot be settled through bilateral consultation are to be referred to PICAQ (the Provisional International Civil Aviation Organization) for an advisory opinion; and also that the agreement shall be revised to conform with any subsequent multilateral air pact which may be subscribed to by both countries. In contrast to the pre-Bermuda agreements concluded by the United States, the annex not only describes the extensive routes and traffic points involved but also sets up a comprehensive procedure for determination of rates to be charged by airlines operating between points in the two countries and their territories, with such rates subject to governmental review. Provision is made in the annex for the manner in which route changes are to be made, and there is a section dealing with "change of gauge" (the onward carriage of traffic by aircraft of a different size than that employed on the earlier stage of the same route, and connecting services).

The Bermuda meeting also produced a final act,<sup>6</sup> which contained a number of collateral understandings on the operation and development of air-transport services between the two countries. No arbitrary restrictions were imposed on capacity, number of frequencies, or fifth-freedom traffic, but it was stipulated that the airlines of one country would not unduly prejudice the airlines of the other, and three general principles were agreed upon to govern the carriage of "fill-up" fifth-freedom traffic.

The Bermuda agreement was regarded as a satisfactory reconciliation of the differences which

<sup>5</sup> For text of agreement, see BULLETIN of Apr. 7, 1946, p. 586.

<sup>6</sup> *Ibid.*, p. 584.

had existed on international air policy between the United States and the United Kingdom since the Chicago conference. At the time of its conclusion there was no specific undertaking that either Government would insist on this type of arrangement in their subsequent negotiations with other countries. However, in a joint statement released on September 19, 1946 both Governments agreed that experience had demonstrated that the Bermuda principles were sound, and in their view provided a reliable basis for the orderly development and expansion of international air transport.<sup>7</sup> It was further agreed that the Bermuda-type agreement presented the best form of approach to the problem of bilateral arrangements until a multilateral agreement could be adopted. As a means of furthering acceptance of the Bermuda principles, the joint statement also mentioned that "each government is prepared upon the request of any other government with which it has already concluded a bilateral air transport agreement that is not deemed to be in accordance with those principles to make such adjustments as may be found to be necessary".

#### **Other Agreements With Bermuda Principles**

The agreements concluded by the United States with Belgium, Brazil, China, and France include all of the important Chicago and Bermuda provisions. The form of these agreements varies in that the provisions of the Bermuda final act have been transferred to the annex and, in some cases, to an accompanying protocol of signature. The agreements with Belgium, Brazil, and France also include paragraphs dealing with the question of rates for fifth-freedom traffic.

The bilateral agreements between the United States and Greece, Egypt, Lebanon, the Philippines, and Uruguay are based substantially on the Chicago standard form, but also include the pertinent Bermuda principles governing the carriage of fifth-freedom traffic, and refer to settlement of disputes. No specific rate-fixing procedure is set forth.

The United States-Indian agreement is in a more compact form. A few subjects covered by the Chicago clauses in other bilateral agreements are omitted, since they are covered by the Chicago

convention and the Chicago interim agreement. The essential Bermuda clauses are incorporated, in some cases with slight language revision. These have been transferred from the annex, where they appeared in certain previous bilateral agreements, to the main body of the document, so that the annex deals exclusively with routes and traffic points as contemplated by the original Chicago form. All bilateral air agreements concluded by the United States reserve the right of one party to revoke operating permission to an airline of the other party when conditions of the agreement and its annexes are not fulfilled. The comparable version of this article in previous Bermuda-type agreements may be interpreted, in certain circumstances, as calling for recourse to PICAQ before one party revokes the operating permit of another party's airline. Article 9 of the Indian agreement gives each government a greater latitude in this connection by permitting it to determine in its own judgment whether such principles are being violated and to take appropriate action immediately, although it is definitely contemplated that such action might be reversed by a PICAQ opinion.

The agreements with Australia and New Zealand likewise are based on the Chicago and Bermuda principles, and also permit a joint operating company, in which nationals of Australia and New Zealand are to have majority ownership and control, to exercise the reciprocal rights obtained from the United States. These agreements also contain language based on the aforementioned article 9 of the agreement with India, but calling for a more extensive consultation procedure before operating permits are modified.

#### **Pending Bilateral Negotiations**

There remain other countries where it will be desirable to obtain appropriate landing rights for American-flag services. Negotiations are now in progress with Bolivia, Chile, Cuba, the Dominican Republic, Ecuador, Haiti, Iraq, Paraguay, Peru, Siam, Union of South Africa, and Venezuela, and it is also probable that discussions contemplating agreements with still other countries will be initiated in the near future.

<sup>7</sup> BULLETIN of Sept. 29, 1946, p. 577.

## RADIO AIDS TO AIR NAVIGATION

by Horace F. Amrine

*On October 31, the Special Radio Technical Division of the Air Navigation Committee (PICAO) met at Montreal to formulate plans for international agreement on standardized radio equipment. Prior to this meeting, at the invitation of the Interim Council of PICAO, the United Kingdom and the United States Governments held demonstrations of the various types of radio and related equipment to familiarize the members of the committee with the devices and systems to be considered at their Montreal meeting.*

The first year of post-war international civil aviation has been one in which practically all of the major problems of organization and operation of international air carriers have arisen. The problem of communications, which embraces radio aids to navigation, airport control, and blind-landing facilities, has undoubtedly been among the foremost of the many problems, since the communications system and its component facilities is the actual pulse of an airways system.

The existing international airways systems are chiefly supported by the communications- and air-navigational facilities that were installed by various military forces to meet the needs of wartime air transportation. During the war the United States and the United Kingdom produced practically all of the equipment which, in any given theater, Allied forces installed for this purpose. Although it is true that the net result combined to form a basis for the post-war international airways systems, it is nevertheless one

that is totally inadequate and without standardization. To achieve best a high degree of flight safety a standardization must be reached, but it must also be one which can be met from a standpoint of business economy. Obviously, it is infeasible from an economic standpoint for air-carrier operators to install in the aircraft they operate numerous and expensive pieces of equipment of the various types which would be required for navigational use over sections of a long international air route where each country, for example, might employ such radio aids as it decided upon, without regard for a regional standardization. Moreover, it is equally infeasible from a standpoint of maximum pay-load gain to sacrifice so much of the aircraft's pay-load weight as would be required to transport various types of heavy navigational equipment.

Therefore, in view of these last two considerations, plus the third consideration of the urgent need for modernization of a major portion of

existing communications equipment, it was apparent that an early agreement for standardization throughout the world must be undertaken. To achieve this end the Provisional International Civil Aviation Organization (PICAO) assumed the sponsorship of demonstrations of radio aids to navigation in the United Kingdom, followed by demonstrations in the United States, in order that a basis could be formulated for all member states of PICAO to come to an early agreement on a system of navigational aids which all international carriers could use with the greatest facility and economy.

The demonstrations which PICAO sponsored began in London on September 9, 1946 and continued through September 30. From London the entire delegation was flown to New York, and thence to Indianapolis, where the United States demonstrations were held from October 7 to 23. At Indianapolis the laboratory and facilities of the Civil Aeronautics Administration were used as the site for the demonstrations. The following countries were represented at both demonstrations: Argentina, Australia, Belgium, Bolivia, Brazil, Canada, Chile, China, Czechoslovakia, Denmark, Ecuador, France, Greece, Guatemala, India, Iran, Ireland, Italy, Mexico, Netherlands, Newfoundland, New Zealand, Norway, Philippine Republic, Portugal, Siam, Spain, Sweden, Union of South Africa, United Kingdom, United States of America, Union of Soviet Socialist Republics, and Venezuela. In addition, there was a large representation of private industrial concerns and technical advisers.

The demonstrations at Indianapolis were, when physically possible, presented in booth displays in the large hangar of the Civil Aeronautics Administration. Approximately 20 booths were set up in which the various industries, as well as the Civil Aeronautics Administration, the United States Army, Navy, and Coast Guard, either displayed mechanical models or used them as centers for lectures, display of equipment, and the dissemination of literature. In numerous cases, of course, it was not practicable to employ working models, and in a number of these cases installations of equipment had been made in aircraft for demonstration in actual flight conditions.

In such a large and varied display it was neces-

sary that an organization be achieved which would permit the entire representation to view systematically the demonstrations and to hear the lectures. The very simple but effective method employed to make this system possible was that of dividing the delegation into approximately 20 groups of 8 to 10 persons each, and then placing each group under the leadership of a competent Civil Aeronautics Administration guide. The problem being thus far taken care of, there remained only the working out of a staggered daily schedule whereby one group followed another in an orderly fashion to observe displays, to hear lectures, or to participate in actual flights. A description of the displays would be inadequate if mention were not made of the eye-pleasing aspects which they presented. In this connection, much preparation had gone into displays in general, and into working models and pictured representations in particular, which gave considerable attractiveness to the over-all display.

At a glance at the over-all display of equipment, the average onlooker would be confused as to the relative position which each of the various types of equipment would bear to the complete picture. It becomes necessary, therefore, to make a division into two general categories. The first category takes into account that equipment which is ready and presently available for use. The second category includes that equipment which will be ready for general usage in five to ten years. Obviously, the concept of a system which will be launched to cover a world-wide network of air routes must take into consideration not only the installations which will be made to take care of immediate needs, but also how this system will integrate with the system which will eventually replace anything presently established. The major consideration, nevertheless, was that of providing at the earliest practicable date a system of radio navigational aids that could be agreed upon for standardization. The policy of the United States in meeting these considerations was based on the recommendations of the Radio Technical Commission for Aeronautics. In formulating these recommendations the Commission made a careful analysis of the wide scope of electronic navigational aids, based on initially established operational requirements, and finally selected the various types of equipment which would most adequately meet the established opera-

tional requirements. This study suggested a break-down of the entire airways system into four categories: the Airport Zone, the Approach Zone, the En-Route Short-Distance Zone, and the En-Route Long-Distance Zone. Of the numerous considerations upon which this analysis was formulated, the economical use of the radio-frequency spectrum was among the foremost.

The foregoing is brought out to show the basis on which the United States demonstrations were launched, and naturally comes as hindsight rather than as the viewpoint from which the average foreign representative surveyed the demonstrations. Discussions of policy from the standpoint of "selling" United States policy or United States equipment was not a part of this demonstration; and careful avoidance was made of either subject, since the purpose of the demonstration was to promote study and the comparison of United States products and methods with those of other countries.

On this basis, the visiting delegates were shown complete blind-landing systems and complete short- and long-distance navigational systems, as well as various components of each system, in such a manner as would afford each representative an opportunity to make comparisons. Component parts of these various systems included instruments which have not previously been in general use, such as distance-measuring equipment, collision-warning devices designed for both ground and airborne usage, and aircraft equipment for completely automatic flight. It is assumed, of course, that all radio aids considered are specifically applicable to use under adverse weather conditions en route, approaching the airport, and landing at the airport.

One manufacturer demonstrated a distance-measuring device, in connection with a complete navigational and anti-collision system, which furnishes the pilot with the measurement of slant range from the airplane to a ground beacon of known location. This information is presented on a meter that can be mounted in a standard instrument-panel opening. The equipment operates in the 1000-megacycle band, using an automatic radio transmitter-receiver in the airplane and an automatic radio receiver-transmitter as a ground beacon. Facilities are also provided to indicate the touchdown point on the runway to within an accuracy of plus or minus 250 feet. In this particu-

lar case, although the distance-measuring device is regarded as ready for early usage, the navigational and anti-collision system is considered to be somewhat futuristic. Of this system it might be said that the anti-collision features furnish the pilot with information, through a transponder system, which warns him of ground obstructions as well as other aircraft which might become a hazard to his flight. At Indianapolis a demonstration of this system was made under actual flight conditions, with two planes similarly equipped and flying "blind" in the near vicinity of each other; all of these aircraft being navigated and avoiding each other solely by use of this installation.

The Civil Aeronautics Administration demonstrated a complete en-route navigational system which is combined with a complete landing system, and which appears to have the greatest promise for immediate usage. This system incorporates omnidirectional ranges operating in the very high-frequency band, and the Civil Aeronautics Administration's cross-pointer instrument landing system. At present marker beacons are used for position fixing in the instrument landing system, but will be replaced at an early date with distance-measuring equipment. This system is actually in operation on the New York-Chicago airway, where it is undergoing service testing.

A third device which shows promise for early usage is the A-12 Automatic Pilot, and of all the demonstrations viewed by the various delegations this particular one appeared to be the most spectacular. Under actual flight conditions in the manufacturer's DC-3, the delegates witnessed automatic flight with the exception of the actual landing and take-off. Immediately after taking off, when only a few feet off the runway, the automatic pilot was cut in and the aircraft gained altitude to 1,500 feet, where it was manually leveled off. At a distance of 8 to 12 miles from the approach end of the runway, the automatic pilot was switched to "localizer" and the plane turned automatically, seeking and holding the "on course" signal track defined by the ground localizer at the end of the runway. During this procedure constant altitude was held, and at the proper point air-speed was reduced, wheels and flaps were lowered, and the aircraft proceeded until the glide-path "on course" signal was intercepted. When

certain indications were received on the pilot's indicator the control was switched to "approach" position, at which time the aircraft automatically began its descent on a  $21\frac{1}{2}^\circ$  glide-path. The only function in this process that required manual control was that which the pilot performed in adjusting the throttles to hold a constant approach speed. When the aircraft reached the desired distance from the runway the pilot pressed the "release" button on the control wheel and effected a normal landing.

These three systems have been described in detail in order to show how a combination of instruments and en-route navigational systems can be correlated.

One phase of the United States portion of the demonstrations began upon leaving London in flight to New York, when the delegates were afforded the opportunity of observing practical usage of Loran (long-range navigation) in a Navy transport. Since no demonstration is as effective as one which successfully utilizes actual conditions, the portion of the delegation which had the opportunity to witness the usage of Loran was quite favorably impressed. This is significant because Loran is the foremost of the United States systems of the long-distance navigation category. At Indianapolis both types of Loran were on display—the air-borne and the ship-borne. The latter type of equipment was shown in order to emphasize the fact that Loran is equally suitable for both air and sea service.

Another of the more interesting systems which was on display in a working-model form was one in which television was utilized. This particular system employs a ground-search radar which surveys the airspace of interest and displays on a cathode-ray tube the information thus received. This radar presentation is viewed by a television camera with a map of the area superimposed, and the combination picture is broadcast by a television transmitter. The picture is reproduced by a television receiver in the airplane, and the pilot sees his plane as a spot of light moving across a map; other planes operating in the radius that his scope covers also appear as different spots of light, each moving across the map according to its actual course. This system also includes the method of separating the radar echoes according

to altitude and transmitting a separate picture for each altitude level. This is accomplished by having the aircraft carry a transponder, which consists of a receiver and transmitter connected together so that the transmitter emits one or more pulses when the receiver picks up a pulse from the ground radar. This is the briefest sort of description that could be undertaken for a system which has such extensive possibilities, but it is not possible for this report to be more detailed. It should be mentioned, however, that this system is considered quite futuristic, but in its application of television processes it appears to have vast possibilities.

The equipment and systems which have been mentioned here represent a very small portion of those which were displayed or demonstrated at Indianapolis, and it is with possible, although unintended, injustice to many other interesting and worthwhile products that omissions have been made. A not inconsiderable portion of the displays was devoted to developments other than complete or partial navigational systems. In this field are included new ground and air-borne radio communications equipment, aircraft instruments, and products which would generally relate to improved aerial navigation.

The demonstrations at Indianapolis closed on October 23. The following day the delegation was flown back to New York, where on the 25th and 26th of October further demonstrations of the Loran equipment under actual flight conditions were presented. On October 27 the delegation moved to Montreal to witness the Australian demonstration of their Multiple-Track Radar Navigation System. This system was demonstrated in flights between Montreal and Ottawa and furnished one more workable device for eventual consideration, but one to be regarded as somewhat futuristic.

At Montreal on the 31st of October the delegates came together once more at the session of the Special Radio Technical Division of PICAQ. With the information they had received over a period of almost two months, the delegates studied, deliberated, and brought forth from this session an agreement which will begin the standardization of communications and radio aids for an international civil airways system.

## SECOND SESSION OF INTERIM COMMISSION OF WORLD HEALTH ORGANIZATION

by H. Van Zile Hyde

*While awaiting the entry into force of the constitution of the World Health Organization, an Interim Commission, composed of health experts representing 18 states, is proceeding with the unification of administration of international health operations and is addressing itself vigorously to urgent international health problems. At the same time it is laying the groundwork for the first world health assembly which it hopes can meet during 1947.*

The Interim Commission of the World Health Organization held its second session in Geneva, November 4-13, 1946, at which time it took action to consolidate the administration of the exchange of epidemiological information, accepted the transfer of certain UNRRA health functions, and advanced the planning for the first world health assembly.

Under the terms of the arrangement establishing the Interim Commission, it will meet not less frequently than every four months, the next session being scheduled for Geneva on March 31, 1947. The Commission will continue in existence until dissolved by the first world health assembly which will be convened after the constitution of the World Health Organization has been accepted by 26 of the United Nations. Thus far the constitution has been accepted by China and the United Kingdom, both signing without reservation in July, and by Canada and New Zealand, whose parliaments have since approved.

Representatives of all 18 member states, except Peru and the Ukraine, attended the second session.

The major actions taken by the Commission at this session are discussed below.

### **Exchange of Epidemiological Information**

In consolidating the formerly hydra-headed administration of the international exchange of epidemiological information, the Commission, on October 16, took over from the United Nations this function as performed by the former League of Nations Health Organization. The Commission has agreed with UNRRA to transfer, as of December 1, 1946, the similar functions assigned to that agency by the 1944 Sanitary Convention and agreed at this session to act as agent for the Office International d'Hygiène Publique in performing its functions in this connection as well as all its other duties.<sup>1</sup>

### **Transfer of Certain UNRRA Health Functions**

The Commission approved a draft agreement with UNRRA providing for the transfer of certain other UNRRA health functions and authorized the executive secretary to accept \$1,500,000 which UNRRA had offered to transfer for the continu-

<sup>1</sup> BULLETIN of Nov. 10, 1946, p. 842.

ance of health activities. The functions involved in the transfer are the furnishing of technical advice, particularly in regard to the control of tuberculosis and malaria, to countries receiving aid from UNRRA, with special attention to the needs of China; granting scholarships to technical personnel of these countries; and conducting a health training program in Ethiopia. The UNRRA supply program and the program for the care of displaced persons are not involved in the transfer.

In view of the necessarily drastic reduction in the scope of activities imposed by the relatively small sum made available to the Commission, it recognized the necessity of a complete reevaluation of UNRRA health programs in consultation with the several governments concerned. Pending the results of a survey, the Commission authorized the executive secretary to utilize, as necessary, \$500,000 in retaining UNRRA personnel. A committee composed of the representatives of Canada, China, the Ukraine, the United Kingdom, the United States, and Yugoslavia was appointed to consider and approve, in January 1947, a budget for the total program under the \$1,500,000 fund, on the basis of the reevaluation and recommendations of the executive secretary.

The transfer of these UNRRA functions to the Interim Commission is highly appropriate, because the health objective of UNRRA, within its limited area of activity, has been identical with the world-wide objective of the WHO in improving health through the strengthening of national health services. In making the agreement both UNRRA and the Interim Commission have been conscious of the danger of allowing a gap in this work between the time of the termination of UNRRA and the meeting of the first world health assembly of the WHO.

#### **Expert Committees**

The Commission recognized that it should not anticipate the work of the WHO by establishing a complex of definitive expert committees, but rather it established five committees in specialized fields concerned with urgent problems. It was considered that these committees might serve in some cases as nuclei for groups to be established on a more permanent basis by the WHO. Appoint-

ments of individual experts to these committees will be made by the chairman of the commission and its executive secretary, in numbers specified by the Commission. The expert committees established by the second session are:

(1) *Expert Committee on Revision of International List of Causes of Death and on the Establishment of International Lists of Causes of Morbidity.* This committee, which is not to exceed nine persons, is to make recommendations to the Commission concerning actions which it might appropriately take to effect the sixth decennial revision of the international list of causes of death and is to review existing machinery and continue such preparatory work as is necessary to effect the establishment of international lists of causes of morbidity. It is considered important that the revision of the list of causes of death be completed in sufficient time for the revision to be used internationally in the census of 1950.

(2) *Expert Committee on Biological Standardization.* This committee, which is not to exceed eight members, will define the subjects which appear to be the most urgent for study in the field of biological standardization, and will draw up a plan of work covering the setting up of international standards and units in the fields found to be urgent.

(3) *Expert Committee on Pilgrimages.* This committee, to be composed of six experts drawn from Egypt, France, India, Saudi Arabia, the United Kingdom, and the Netherlands, will consider the revision of the pilgrimage clauses of the international sanitary conventions, making its recommendations to an expert committee on the revision of sanitary conventions, which it is expected will be established at the next session of the Interim Commission.

(4) *Expert Committee on Quarantine.* This committee, composed of experts drawn from Brazil, China, France, the Netherlands, India, Egypt, the United Kingdom, the Union of Soviet Socialist Republics, and the United States, will deal with problems arising out of the application of the existing sanitary conventions. A subcommittee, composed of not more than seven experts, was established to perform work regarding the

definition of yellow-fever endemic areas and the international approval of vaccine, assigned to UNRRA by the 1944 sanitary conventions and to be assumed by the Interim Commission on December 1, 1946.

(5) *Expert Committee on Narcotic Drugs.* This committee, which is to be composed of five persons technically qualified in the pharmacological and clinical aspects of drug addiction, will advise the Commission on any technical questions concerning this subject which may be referred to it. It will be available to give advice in its technical field to the Narcotics Commission of the Economic and Social Council.

(6) *Expert Committee on Malaria.* This committee, composed of five experts, will advise the Commission concerning its malaria program in countries receiving UNRRA aid and will develop a plan for the malaria activities of the WHO.

#### **Relation With Other Specialized Agencies**

The executive secretary presented to the Commission a note concerning the relation between the WHO and other specialized agencies. This note included a statement of basic principles and a review of relations to date with other agencies. The Commission approved the basic principles incorporated in the note and authorized the executive secretary to continue negotiations, at the secretariat level, with other specialized agencies with the objective of developing draft agreements for consideration by the Commission and eventual presentation to the world health assembly.

The basic principles approved by the Commission are briefly: (1) No agency should enter into the field of another agency without previous consultation and agreement with that agency; (2) Collaboration between two agencies should aim at bringing together to deal with common problems experts of related but different and complementary fields, rather than experts in the same field and with the same point of view nominated by the two different agencies; (3) Joint committees are the most effective means of getting such experts to work together; (4) Representation on such committees should be apportioned on the basis of the relative importance of the particular field to the various agencies participating

in such joint committees; (5) Secretariat duties in connection with joint committees should be apportioned between the participating agencies upon the basis of the relative importance of the subject to each agency; (6) In the case of a subject which is the exclusive responsibility of one agency, but in which another agency has an interest, the former agency should supply the latter, upon request, with information concerning the subject; (7) A joint committee should be permitted to establish subcommittees composed of experts from the participating agencies on the basis of the relative interest of each agency in the specific problem being handled by the subcommittee, even to the extent of a subcommittee being composed entirely of experts of a single agency; (8) There should be systematic exchange of all publications between specialized agencies; (9) Each specialized agency should invite observers of all other specialized agencies to annual general conferences or assemblies; (10) Specialized agencies should invite to their executive boards or technical committees observers from the other agencies when the agenda justifies such action; (11) In certain instances permanent liaison officers should be appointed between specialized agencies with extensive interests in common.

#### **Headquarters**

It was determined that the Interim Commission should continue to maintain its headquarters in New York, establishing at the same time an office in Geneva concerned primarily with the consolidation of epidemiological information services and with the operation in Europe of the health functions transferred from UNRRA. A committee composed of the representatives of Canada, Egypt, India, Mexico, and Norway was appointed to study the question of site of the headquarters of the World Health Organization, so that a considered recommendation might be made to the first world health assembly. Major C. Mani (India) was elected chairman of this committee. The committee requested the executive secretary to circularize governments, informing them of the requirements of the WHO, with a view to determining what facilities might be available in the various countries.

## THE UNITED NATIONS

### Meeting of the General Assembly

#### PRINCIPLES GOVERNING GENERAL REGULATION AND REDUCTION OF ARMAMENTS<sup>1</sup>

1. In pursuance of Article 11 of the Charter and with a view to strengthening international peace and security in conformity with the Purposes and Principles of the United Nations,

THE GENERAL ASSEMBLY,

RECOGNIZES the necessity of an early general regulation and reduction of armaments and armed forces.

2. Accordingly,

THE GENERAL ASSEMBLY,

RECOMMENDS that the Security Council give prompt consideration to formulating the practical measures, according to their priority, which are essential to provide for the general regulation and reduction of armaments and armed forces and to assure that such regulation and reduction of armaments and armed forces will be generally observed by all participants and not unilaterally by only some of the participants. The plans formulated by the Security Council shall be submitted by the Secretary General to the Members of the United Nations for consideration at a special session of the General Assembly. The treaties or conventions approved by the General Assembly shall be submitted to the signatory States for ratification in accordance with Article 26 of the Charter.

3. As an essential step towards the urgent objective of prohibiting and eliminating from national armaments atomic and all other major weapons adaptable now and in the future to mass destruction, and the early establishment of international control of atomic energy and other modern scientific discoveries and technical developments to ensure their use only for peaceful purposes,

THE GENERAL ASSEMBLY,

URGES the expeditious fulfilment by the Atomic Energy Commission of its terms of reference as set forth in Section 5 of the General Assembly Resolution of 24 January 1946.

4. In order to ensure that the general prohibition, regulation and reduction of armaments are directed towards the major weapons of modern warfare and not merely towards the minor weapons,

THE GENERAL ASSEMBLY,

RECOMMENDS that the Security Council expedite consideration of the reports which the Atomic Energy Commission will make to the Security Council and that it facilitate the work of that Commission, and also that the Security Council expedite consideration of a draft convention or conventions for the creation of an international

<sup>1</sup>A/267. Dec. 13, 1946.

Excerpts from General Assembly Doc.

system of control and inspection, these conventions to include the prohibition of atomic and all other major weapons adaptable now and in the future to mass destruction and the control of atomic energy to the extent necessary to ensure its use only for peaceful purposes.

5. THE GENERAL ASSEMBLY,

FURTHER RECOGNIZES that essential to the general regulation and reduction of armaments and armed forces is the provision of practical and effective safeguards by way of inspection and other means to protect complying states against the hazards of violations and evasions.

Accordingly,

THE GENERAL ASSEMBLY,

RECOMMENDS to the Security Council that it give prompt consideration to the working out of proposals to provide such practical and effective safeguards in connection with the control of atomic energy and the regulation and reduction of armaments.

6. To ensure the adoption of measures for the early general regulation and reduction of armaments and armed forces, for the prohibition of the use of atomic energy for military purposes and the elimination from national armaments of atomic and all other major weapons adaptable now or in the future to mass destruction, and for the control of atomic energy to the extent necessary to ensure its use only for peaceful purposes,

THERE SHALL BE ESTABLISHED,

within the framework of the Security Council, which bears the primary responsibility for the maintenance of international peace and security, an international system, as mentioned in paragraph 4, operating through special organs,

which organs shall derive their powers and status from the convention or conventions under which they are established.

7. THE GENERAL ASSEMBLY, regarding the problem of security as closely connected with that of disarmament,

RECOMMENDS the Security Council to accelerate as much as possible the placing at its disposal of the armed forces mentioned in Article 43 of the Charter;

IT RECOMMENDS the members to undertake the progressive and balanced withdrawal, taking account of the needs of occupation, of their armed forces stationed in ex-enemy territories, and the withdrawal without delay of armed forces stationed in the territories of Members without their consent freely and publicly expressed in treaties or agreements consistent with the Charter and not contradicting international agreements;

IT FURTHER RECOMMENDS a corresponding reduction of national armed forces, and a general progressive and balanced reduction of national armed forces.

8. Nothing herein contained shall alter or limit the resolution of the General Assembly passed on 24 January 1946, creating the Atomic Energy Commission.

9. THE GENERAL ASSEMBLY,

CALLS upon all Members of the United Nations to render every possible assistance to the Security Council and the Atomic Energy Commission in order to promote the establishment and maintenance of international peace and collective security with the least diversion for armaments of the world's human and economic resources.

#### ADDRESS BY THE SECRETARY OF STATE <sup>1</sup>

MR. PRESIDENT:

The United States supports whole-heartedly the resolution pending.

Ever since the close of hostilities it has been the policy of the United States to hasten the return of conditions of peace. We wish to enable the fight-

ing men of the United Nations to return to their homes and to their families. We wish to give the peoples of all lands the chance to rebuild what the war has destroyed.

There need be no concern about the willingness of the American people to do everything within their power to rid themselves and the world of the burden of excessive armaments.

In the recent past the concern of peace-loving nations has not been that America maintained ex-

<sup>1</sup> Delivered at the final plenary session of the General Assembly on Dec. 13 and released to the press by the Office of the Secretary of State, New York, N. Y., on the same date.

cessive armaments. The concern has been that America failed to maintain adequate armaments to guard the peace.

When Hitler started the World War in September 1939, Germany had been preparing for war for more than five years. But at that time there were in active service of the United States in the Army, Navy, and Air Force only 330,000 men. It was our military weakness, not our military strength, that encouraged Axis aggression.

After World War I, Japan was given a mandate over strategically important islands in the Southwest Pacific which bound her to keep those islands demilitarized. Although the evidence showed that Japan was violating the terms of the mandate, the United States delayed in building bases on islands under her sovereignty in the Pacific.

The result was that when the United States was treacherously attacked at Pearl Harbor she had no adequately fortified base in the Pacific between Pearl Harbor and the Philippines.

Japan's covenant not to use the mandated territories as military bases contained no safeguards to insure compliance. Japan's covenant misled the United States, but it did not restrain Japan. That was our mistake, and we do not intend again to make that mistake.

While before World War II the peace-loving nations were seeking peace through disarmament, aggressor nations were building up their armaments. And all the while the aggressor nations were building up armaments they were claiming that they were being smothered and encircled by other nations.

While we scrapped battleships, Japan scrapped blueprints. While we reduced our Army to the size of a large police force, Germany trained its youth for war.

Too late, those who had taken a leading part in the struggle for general disarmament before World War II discovered that Axis agents were deliberately organizing and supporting disarmament movements in non-Axis countries in order to render those countries powerless to resist their aggression.

Too late, those who had taken a leading part in the struggle for general disarmament discovered that it was not safe to rely upon any disarmament

which is not collectively enforced and made a part of a system of collective security.

It will take time, patience, and good-will to achieve really effective disarmament. The difficulties are great and the complexities many. The defense needs of states vary greatly. The elements which make up the military strength of states likewise vary greatly and cannot readily be compared or appraised.

Effective disarmament cannot be secured by any simple mathematical rule. Demobilized divisions can be speedily recalled to the colors. But a scrapped plane or a scrapped battleship can never be recommissioned.

Disarmament to be effective must look to the future. It is easy for us to see what folly it would have been, when gunpowder was discovered, to start disarming by limiting the use of the bow and arrow.

We must see to it that disarmament starts with the major weapons of mass destruction.

We must see to it that disarmament is general and not unilateral.

We must see to it that disarmament rests not upon general promises which are kept by some states and ignored by other states.

We must see to it that disarmament is accompanied by effective safeguards by way of inspection and other means under international control which will protect complying states against the hazards of violations and evasions.

We must see to it that these safeguards are so clear and explicit that there will be no question of the right of complying states, veto or no veto, to take immediate action in defense of the rule of law.

No disarmament system which leaves law-abiding states weak and helpless in face of aggression can contribute to world peace and security.

In meeting the problems of disarmament first things should come first. The first task which must be undertaken is the control of atomic energy to insure that it will be used only for human welfare and not for deadly warfare.

There are other weapons of mass destruction but unless we can meet the challenge of atomic warfare—the most dreadful weapon ever devised—we can never meet the challenge of these other weapons.

The United States, with Britain and Canada, have demonstrated their awareness of the grave responsibility inherent in their discovery of the means of applying atomic energy.

In a world of uncontrolled armaments, atomic energy would be an advantage to the United States for many years to come.

But it is not the desire of the United States to be the leader in an armament race. We prefer to prevent, rather than to win, the next war.

That is why President Truman announced as soon as he knew that the atomic bomb would work, that it was our purpose to collaborate with other nations to insure that atomic energy should not become a threat to world peace.

Shortly thereafter the heads of the three governments responsible for the discovery of atomic energy met at Washington and urged that the United Nations set up a commission to recommend proposals for the effective international control of atomic energy and all other weapons adaptable for mass destruction.

One of the primary reasons for my trip to Moscow in December 1945 was to ask the Soviet Union to join with Britain and Canada in sponsoring a resolution to this effect before the General Assembly.

As soon as the agreement of the Soviet Government was obtained, France and China were also asked, and they agreed to join in sponsoring the resolution. These efforts resulted in the unanimous passage of the resolution by the General Assembly in January 1946, only six months after the discovery of the atomic bomb.

Long discussion in the United Nations and public debate on the details of the United States proposals have perhaps blurred the real significance and magnitude of the United States initiative.

The resolution was no idle gesture on our part. Having the knowledge of atomic energy and possession of the atomic bomb, we did not seek to hold it and to threaten the world, we did not sit back and play for time. We came forward with concrete proposals designed fairly, effectively, and practically to carry out the tasks assigned to that commission.

Our proposals when fully operative would leave with the states responsible for the discovery of

atomic energy no rights which would not be shared with other members of the United Nations.

Our proposals outlaw the use of atomic weapons and contemplate the disposal of existing atomic weapons.

They set up an international authority with power to prevent the national manufacture and use of atomic weapons for war purposes and to develop the atomic energy for human welfare.

Our proposals also provide effective and practical safeguards against violations and evasions. They enable states that keep their pledges to take prompt and collective action against those who violate their pledges.

We do not suggest any diminution of the right of veto in the consideration of the treaty governing this subject. We do say that once the treaty has become effective then there can be no recourse to a veto to save an offender from punishment.

We are willing to share our knowledge of atomic weapons with the rest of the world on the condition, and only on the condition, that other nations submit, as we are willing likewise to submit, to internationally controlled inspection and safeguards.

From the statements made in the committees and in the Assembly we have been encouraged to believe that others are willing to submit to international inspection.

If other nations have neither bombs nor the ability to manufacture them it should be easy for them to agree to inspection.

But the world should understand that without collective safeguards there can be no collective disarmament.

The resolution we proposed here urges the expeditious fulfilment by the Atomic Energy Commission of its terms of reference. Those terms include the control not only of atomic energy but the control of other instruments of mass destruction.

With its specific studies and its accumulated experience the Commission is best equipped to formulate plans for dealing with major problems of disarmament.

Let us concentrate upon these major weapons and not dissipate our energies on the less important problems of controlling pistols and hand grenades.

If we are really interested in effective disarmament, and not merely in talking about it, we should instruct our representatives on the Atomic Energy Commission to press forward now with its constructive proposals. They have been at work six months. They can file an interim report next week. I do not want the work of that Commission to be side-tracked or sabotaged.

I am glad that the proposed resolution raises in connection with the problem of disarmament the question of disposal of the troops and the justification of their presence on foreign soil. For disarmament necessarily raises the question of the use which may be made of arms and armed forces which are not prohibited. Reducing armaments will not bring peace if the arms and the armed forces that remain are used to undermine collective security.

The United States has persistently pressed for the early conclusion of peace treaties with Italy and the ex-satellite states. We want to make possible the complete withdrawal of troops from those states.

The United States has persistently urged the conclusion of a treaty recognizing the independence of Austria and providing for the withdrawal of foreign troops.

Austria, in our view, is a liberated and not an ex-enemy country. The United States, United Kingdom, and Soviet Union, as signers of the Moscow Declaration of 1943, are obligated to relieve her of the burden of occupation at the earliest possible moment.

The United States believes that armed occupation should be strictly limited by the requirements of collective security.

For that reason we proposed to the Council of Foreign Ministers that we should fix agreed ceilings on the occupation forces in Europe. We could not secure agreement this week, but we shall continue our efforts to reduce the occupation forces in Europe. We are also prepared to fix agreed ceilings for the occupation forces in Japan and Korea.

On V-J Day we had over 5,000,000 troops overseas. We had to send with them extensive supplies and equipment which could not be disposed of overnight.

But despite the tremendous problem of liquidating our extensive overseas war activities, today we have less than 550,000 troops outside of American territory. Most of these troops are in Germany, Japan and the Japanese Islands, Korea, Austria, and Venezia Giulia.

The great majority of the troops we have on the territory of the other states outside these occupation areas are supply or administrative personnel. Let me state specifically just what combat troops we have in these other states.

We have a total of 96,000 military personnel in the Philippines but only about 30,000 are combat forces, air and ground. Of these 17,000 are Philippine Scouts. These troops are in the Philippines primarily to back up our forces in Japan. Substantial reductions are contemplated in the near future.

Of the 19,000 troops we have in China, about 15,000 are combat troops and roughly one half of these are today under orders to return home.

We have about 1,500 troops in Panama, excluding the Canal Zone. One thousand of these, composed of a small air unit and some radar air-warning detachments, can be classified as combat forces. We have, of course, our normal protective forces in the Panama Canal Zone proper.

We have no combat units in countries other than those I have just mentioned.

Our military personnel in Iceland number less than 600 men. They include no combat troops. They are being withdrawn rapidly and all will be withdrawn by early April 1947, in accordance with our agreement with the Government of Iceland. The military personnel have been there only to maintain one of our air-transport lines of communication with our occupation forces in Germany.

In the Azores, on the southern air-transport communication line to Germany, we have about 300 men. Again there is not a single combat soldier among them. They are technicians and administrative officials. They are there under agreement with the Government of Portugal.

Our combat troops are in North China at the request of the Chinese National Government. Their task is to assist in carrying out the terms of surrender with respect to the disarming and deportation of the Japanese. Their mission is

nearly completed. Instructions have been issued for the return of half of our forces now in China although the Chinese Government has urged that they be retained there until conditions become more stabilized.

We have made it clear that our troops will not become participants in civil strife in China. But we are eager to do our part, and we hope other states are eager to do their part, to prevent civil war in China and to promote a unified and democratic China.

A free and independent China is essential to world peace and we cannot ignore or tolerate efforts on the part of any state to retard the development of the freedom and independence of China.

The United States Government repudiates the suggestion that our troops in China or elsewhere, with the consent of the states concerned, are a threat to the internal or external peace of any country.

Because the representative of the Soviet Union has referred to our troops in China, it is for me to say that I am confident that the number of American troops in North China is far less than the number of Soviet troops in South Manchuria in the Port Arthur Area.

Under the Finnish peace treaty the Soviet Union acquires the right to lease the Porkkala naval base in Finland and maintain troops there. The temporary presence of a few thousand United States troops in China at the request of that country certainly raises no essentially different question than the permanent presence of Soviet troops in another country under treaty arrangements.

It is our desire to live up to the letter and spirit of the Moscow Declaration. We do not intend to use our troops on the territories of other states contrary to the purposes and principles of the United Nations.

The implementation of the Moscow Declaration is not made easier by loose charges or countercharges. The Declaration requires consultation. That is the method we should pursue if we wish to advance the cause of disarmament and collective security.

Last December at Moscow we consulted the

Soviet Union and the United Kingdom regarding our troops in China. We have now asked for consultation in the Council of Foreign Ministers regarding the number of troops to be retained in Germany, Poland, Austria, Hungary, and Rumania upon the conclusion of the peace treaties with the ex-satellite states.

The task before us is to maintain collective security with scrupulous regard for the sovereign equality of all states. This involves more than the question of armaments and armed forces.

Aggressor nations do not go to war because they are armed but because they want to get with their arms things which other nations will not freely accord them.

Aggressor nations attack not only because they are armed but because they believe others have not the armed strength to resist them.

Sovereignty can be destroyed not only by armies but by a war of nerves and by organized political penetration.

World peace depends upon what is in our hearts more than upon what is written in our treaties.

Great states must strive for understandings which will not only protect their own legitimate security requirements but also the political independence and integrity of the smaller states.

It is not in the interest of peace and security that the basic power relationships among great states should depend upon which political party comes to power in Iran, Greece, or China.

Great states must not permit differences among themselves to tear asunder the political unity of smaller states. Smaller states must recognize that true collective security requires their cooperation just as much as that of the larger states. Without the cooperation of large states and small states, our disarmament plans are doomed to failure.

A race for armaments, a race for power, is not in the interest of any country or of any people. We want to stop the race for armaments and we want to stop the race for power.

We want to be partners with all nations, not to make war but to keep the peace. We want to uphold the rule of law among nations. We want to promote the freedom and the well-being of all peoples in a friendly civilized world.

**RESOLUTION ON RELATIONS BETWEEN SPAIN AND UNITED NATIONS<sup>1</sup>**

The peoples of the United Nations, at San Francisco, Potsdam and London condemned the Franco regime in Spain and decided that as long as that regime remains, Spain may not be admitted to the United Nations.

The General Assembly, in its resolution of 9 February 1946, recommended that the Members of the United Nations should act in accordance with the letter and the spirit of the declarations of San Francisco and Potsdam.

The peoples of the United Nations assure the Spanish people of their enduring sympathy and of the cordial welcome awaiting them when circumstances enable them to be admitted to the United Nations.

The General Assembly recalls that in May and June 1946, the Security Council conducted an investigation of the possible further action to be taken by the United Nations. The Sub-Committee of the Security Council charged with the investigation found unanimously:

“(a) In origin, nature, structure and general conduct, the Franco regime is a Fascist regime patterned on, and established largely as a result of aid received from Hitler’s Nazi Germany and Mussolini’s Fascist Italy.

“(b) During the long struggle of the United Nations against Hitler and Mussolini, Franco, despite continued Allied protests, gave very substantial aid to the enemy Powers. First, for example, from 1941 to 1945, the Blue Infantry Division, the Spanish Legion of Volunteers and the Salvador Air Squadron fought against Soviet Russia on the Eastern front. Second, in the summer of 1940, Spain seized Tangier in breach of international statute, and as a result of Spain maintaining a large army in Spanish Morocco, large numbers of Allied troops were immobilized in North Africa.

“(c) Incontrovertible documentary evidence establishes that Franco was a guilty party with Hitler and Mussolini in the conspiracy to wage war against those countries which eventually in the course of the world war became banded together as the United Nations. It was part of the conspiracy that Franco’s full belligerency should be postponed until a time to be mutually agreed upon.”

THE GENERAL ASSEMBLY,

CONVINCED that the Franco Fascist Government of Spain, which was imposed by force upon the Spanish people with the aid of the Axis Powers and which gave material assistance to the Axis Powers in the war, does not represent the Spanish people, and by its continued control of Spain is making impossible the participation of the Spanish people with the peoples of the United Nations in international affairs;

RECOMMENDS that the Franco Government of Spain be debarred from membership in international agencies established by or brought into relationship with the United Nations, and from participation in conference or other activities which may be arranged by the United Nations or by these agencies, until a new and acceptable government is formed in Spain.

FURTHER DESIRING to secure the participation of all peace-loving peoples, including the people of Spain, in the community of nations,

RECOMMENDS that, if within a reasonable time, there is not established a government which derives its authority from the consent of the governed, committed to respect freedom of speech, religion and assembly and to the prompt holding of an election in which the Spanish people, free from force and intimidation and regardless of party, may express their will, the Security Council consider the adequate measures to be taken in order to remedy the situation;

RECOMMENDS that all Members of the United Nations immediately recall from Madrid their ambassadors and ministers plenipotentiary accredited there.

THE GENERAL ASSEMBLY FURTHER RECOMMENDS that the States Members of the Organization report to the Secretary-General and to the next session of the Assembly what action they have taken in accordance with this recommendation.

<sup>1</sup> Resolution adopted by Committee 1 (Political and Security) of the General Assembly (General Assembly Doc. A/241, Dec. 10, 1946) on Dec. 10 and adopted by the General Assembly on Dec. 12.

## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### *Calendar of Meetings<sup>1</sup>*

<b>In Session as of December 15, 1946</b>		
Far Eastern Commission. . . . .	Washington . . . . .	February 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	March 25
Military Staff Committee . . . . .	Lake Success . . . . .	March 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
UNRRA - Intergovernmental Committee on Refugees (IGCR):	Washington and Lake	July 25
Joint Planning Committee	Success	
General Assembly. . . . .	Flushing Meadows . . . . .	October 23-December 16
Telecommunications Advisory Committee . . . . .	Lake Success . . . . .	November 10
ECOSOC: Commission on Narcotic Drugs. . . . .	Lake Success . . . . .	November 27-December 13
Meeting of Postal Experts . . . . .	New York . . . . .	December 10-18
German External Property Negotiations:		
With Portugal (Safehaven). . . . .	Lisbon. . . . .	September 3
With Spain. . . . .	Madrid . . . . .	November 12
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	October 24
FAO: Preparatory Commission To Study World Food Board Proposals	Washington . . . . .	October 28
Council of Foreign Ministers:		
Deputies. . . . .	New York . . . . .	November 4-December 12
Inter-Allied Reparations Agency (IARA): Meetings on Conflicting Custodial Claims	New York . . . . .	Continuing
UNESCO: "Month" Exhibition . . . . .	Brussels . . . . .	November 6
PICAO:		
Divisional		
Search and Rescue Division . . . . .	Paris . . . . .	November 21-December 20
Rules of the Air and Air Traffic Control Practices Division . . . . .	Montreal . . . . .	November 26-December 13
	Montreal . . . . .	December 3

<sup>1</sup> Prepared in the Division of International Conferences, Department of State.

*Calendar of Meetings—Continued*

INRRA Council: Sixth Session . . . . .	Washington . . . . .	December 10–December 13
Caribbean Commission . . . . .	Curaçao . . . . .	December 10–December 16
<b>Scheduled December 1946 – February 1947</b>		
Intergovernmental Committee on Refugees (IGCR): Sixth Plenary Session	London . . . . .	December 16
European Central Inland Transport Organization (ECITO): Sixth Session of the Council	Paris . . . . .	December 18
Meeting of Medical and Statistical Commissions of Inter-American Committee on Social Security	Washington . . . . .	January 6–11
ICAO:		
Divisional		
Personnel Licensing Division . . . . .	Montreal . . . . .	January 7
Aeronautical Maps and Charts Division . . . . .	Montreal . . . . .	January 14
Accident Investigation Division . . . . .	Montreal . . . . .	February 4
Airworthiness Division . . . . .	Montreal . . . . .	February 18
Airline Operating Practices Division . . . . .	Montreal . . . . .	February 25
Regional		
South Pacific Regional Air Navigation Meeting . . . . .	Melbourne . . . . .	February 4
Twelfth Pan American Sanitary Conference . . . . .	Caracas . . . . .	January 12–24
Second Pan American Conference on Sanitary Education . . . . .	Caracas . . . . .	January 12–24
United Nations:		
Meeting of Governmental Experts on Passport and Frontier Formalities	Geneva . . . . .	January 14–29 (tentative)
Economic and Social Council: <sup>2</sup>		
Drafting Committee of International Trade Organization, Preparatory Committee	Lake Success . . . . .	January 20–February 28
Economic and Employment Commission . . . . .	Lake Success . . . . .	January 20–February 5
Social Commission . . . . .	Lake Success . . . . .	January 20–February 5
Subcommission on Economic Reconstruction of Devastated Areas, Working Group for Europe	Geneva . . . . .	January 27–February 13
Human Rights Commission . . . . .	Lake Success . . . . .	January 27–February 11
Population Commission . . . . .	Lake Success . . . . .	January 27–February 11
Statistical Commission . . . . .	Lake Success . . . . .	January 27–February 11
Commission on the Status of Women . . . . .	Lake Success . . . . .	February 12–27
Subcommission on Economic Reconstruction of Devastated Areas, Working Group for Asia and the Far East	Lake Success . . . . .	February 14–21
Transport and Communications Commission . . . . .	Lake Success . . . . .	February 17–28
Non-governmental Organizations Committee . . . . .	Lake Success . . . . .	February 25–27
ECOSOC: Fourth Session of . . . . .	Lake Success . . . . .	February 28
O.I.A. Industrial Committee on Petroleum Production and Refining . . . . .	Lima . . . . .	February 3–12

<sup>2</sup> ECOSOC Committee and Commission dates are tentative.

## Meeting of the Sixth Session of the Council of UNRRA

### MEMBERS OF U. S. DELEGATION

[Released to the press December 9]

Acting Secretary Acheson announced that the President had approved the United States Delegation to the sixth session of the Council of the United Nations Relief and Rehabilitation Administration, which convened at the Shoreham Hotel in Washington on December 10, 1946.

The Council will consider the report of the Director General on activities of the administration since July 1, 1946; the administrative budget for 1947; delegation of authority to a central committee in connection with the wind-up of administration activities; and the resignation of the Director General and the appointment of his successor. The delegation list is as follows:

#### *Council Member*

William L. Clayton, Under Secretary of State for Economic Affairs.

#### *First Alternate*

C. Tyler Wood, Special Assistant to the Assistant Secretary of State for Economic Affairs.

#### *Second Alternate*

Dallas W. Dort, Adviser on Relief and Rehabilitation, Department of State.

#### *Advisers to Council Member*

Nathan M. Becker, Alternate Member, Program Subcommittee of UNRRA, Department of State.

Charles R. Bennett, Special Assistant to Director of Office of Far Eastern Affairs, Department of State.

Philip M. Burnett, Assistant Chief, Division of International Organization Affairs, Department of State.

Herbert H. Pierst, Adviser to the Assistant Secretary of State for Occupied Areas, Department of State.

Harold Glasser, Director, Division of Monetary Research, Treasury Department.

Hubert F. Havlik, Chief, Division of Investment and Economic Development, Department of State.

Robert G. Hooker, Jr., Assistant Chief, Division of Eastern European Affairs, Department of State.

Edward E. Kunze, Chief, UNRRA Division, Department of State.

William H. McCahon, Acting Assistant Chief, Special Projects Division, Department of State.

Otis E. Mulliken, Chief, Division of International Labor, Social and Health Affairs, Department of State.

James K. Penfield, Deputy Director, Office of Far Eastern Affairs, Department of State.

Fred L. Preu, Chairman, Audit Subcommittee, Committee on Financial Control, Department of State.

Edward L. Reed, Counselor of Embassy, Department of State.

Sherman S. Sheppard, Chief, International Activities Branch, Division of Administrative Management, Bureau of the Budget.

George L. Warren, Adviser on Refugees and Displaced Persons, Department of State.

Mrs. Ellen S. Woodward, Director, Office of Inter-agency and International Relations, Federal Security Agency.

Two or three representatives of the Department of Agriculture. (Names to be designated by Secretary of Agriculture.)

#### *Adviser and Secretary of the Delegation*

David Persinger, Secretary of United States Delegation, Department of State.

#### *Press Relations Officer*

Joseph W. Reap, Office of Special Assistant for Press Relations, Department of State.

#### *Secretary*

Henry F. Nichol, Division of International Conferences, Department of State.

### ADDRESS BY ACTING SECRETARY ACHESON<sup>1</sup>

[Released to the press December 10]

About three years ago I had the pleasure and privilege of welcoming the members of the UNRRA Council at its first session in Atlantic

<sup>1</sup>Delivered at the opening session of the Sixth Council Session of UNRRA in Washington on Dec. 10, 1946.

City. Much of war and tragedy and victory has been crowded into the intervening three years. So much has happened that it is difficult to recall our thoughts at that time as we set about our task.

May I quote briefly from my remarks at that first session of the UNRRA Council:

"We are assembled here to take action which may shorten the war; but which must bring new hope to those men and women heroically resisting in all of the occupied countries, and swift and effective aid to them upon their liberation. . . .

"The primary task which faces this Administration is to assist the liberated areas to meet their emergency needs. It is to tide them over the period between the end of exploitation by the enemy and the reestablishment of their own production for their own needs. . . .

"The time and attention of this meeting will be well spent if it is directed to these immediate needs, rather than to the more distant future. For the existence of a future for the whole population depends upon their being able to bridge this gap."

UNRRA was the first operating organization of the United Nations. It was formed while the war was still raging in order that it might be ready to move into the occupied countries immediately after their liberation.

UNRRA had to blaze a completely new trail. There was no pattern, no precedent, no rules of procedure for this great adventure. The task was undertaken with enthusiasm, imagination, and energy.

All the problems of staffing, programming, and procurement were extremely difficult. No one knew when the war would end. No one could foretell where or to what extent the enemy would destroy the means of supporting life. Furthermore, relief operations could not be allowed to interfere with military programs.

It would be easy to quote statistics of the millions of tons of foodstuffs, medicines, tractors, plows, trucks, and thousands of other supply items which have been delivered to the liberated countries.

But the present condition of these countries speaks much more eloquently of UNRRA's success.

Farms and factories are again producing the necessities of life. Railways and essential utilities are operating. The people have been fed and clothed. Hope and ambition are again to be found in the hearts and minds of the people.

There are still serious problems ahead. But as UNRRA approaches the end of the emergency task for which it was organized, new means, both national and international, are available for dealing with the situation of today.

There are now a number of international organizations designed to carry further the task of repairing the ravages of the war and to help build a more prosperous world.

The machinery of the individual governments and of private commerce also stands ready to carry us further along the road to recovery.

I urge the members of the Council to keep alive the initial spirit with which they undertook the vast task of relief and rehabilitation, as you now plan for the completion of UNRRA programs and the integration of those of its activities which should continue, into the programs of new agencies.

I am sure the conclusion of the work of the Council will be marked by the same cooperative atmosphere which has been characteristic of its past deliberations.

Before closing I want to pay a sincere tribute to the thousands of men and women composing UNRRA's staff throughout the world who have carried on the day-to-day work of that organization. They put no limit on their hours of work. In many cases they suffered physical inconveniences and privations in order to carry on their tasks. They worked in an organization which they knew could give them no position of permanence or security. I know they would not have remained with UNRRA if they had not realized that these disadvantages were more than offset by the satisfaction which they had in participating in such a program.

May I again express my pleasure that another session of the Council has been convened in this country. The American people and the American Government extend to you members of the Council, the Director General and the entire staff of UNRRA, their sincere gratitude and admiration for the great work which you have accomplished. You are indeed welcome to the United States, and I am happy again to be the one who welcomes you.

## Sixth Plenary Session of Intergovernmental Committee on Refugees

*Article by Martha H. Biehle*

On December 16, 1946 the sixth plenary session of the Intergovernmental Committee on Refugees will open in Hoar Memorial Hall, London, for consideration of the annual report of the Director, Sir Herbert W. Emerson, and of the budget proposed for administrative and operational expenditures for the calendar year 1947. It is expected that most of the 35 member governments will be represented at the session which will be three or four days in duration. Invitations to send observers to the meetings have been extended to those international organizations with which the Intergovernmental Committee cooperates most closely—UNRRA, the ILO, the United Nations, and the International Committee of the Red Cross—and to many private voluntary agencies working in the field of refugee relief.

The agenda for the session calls for consideration of the administrative and operational budgets for the year 1947, and for revision of the financial regulations so as to provide that the operational expenditure shall be shared by all member governments. A suitable scale defining the share allotted to each member government will be determined. The plenary session will be asked also to elect nine member governments to the executive committee, whose present members, elected in 1944, are Brazil, Canada, Czechoslovakia, France, Mexico, the Netherlands, the United Kingdom, and the United States. The term of office for membership on the executive committee is two years, and members are eligible for reelection.

The budget proposals for 1947 are of particular interest because of the recent expansion of the Intergovernmental Committee's activities in the field of resettlement. By vote of the executive committee at its meeting on July 16, 1946, the Intergovernmental Committee has undertaken a program of resettlement for those displaced persons and refugees now in Germany, Austria, and

Italy who are unable or unwilling to return to their countries of nationality or former habitual residence and who come within both the mandate of the Intergovernmental Committee and the principles of aid defined in the annex to the draft constitution for the proposed new International Refugee Organization presently under consideration by the United Nations.

The authorized operations include negotiations with countries wishing to receive refugees as permanent immigrants, assistance to these countries in the preparation for migration of those refugees who apply for admission, financing the individual transportation, and initiating certain group resettlement projects. It is expected that when it begins operations the new International Refugee Organization, in addition to its primary responsibility to assist with repatriation, will take over these resettlement functions from the Intergovernmental Committee.

The Intergovernmental Committee on Refugees was founded in 1938 at an international conference at Évian, France, on the initiation of President Roosevelt, for the consideration of aid to refugees from Nazi persecution. Subsequently, after the British-American conference on refugees at Bermuda in April 1943, the Intergovernmental Committee was given a broad mandate applying to all European refugees who had to leave their countries of residence because of danger to their lives or liberties on account of their race, religion, or political beliefs. The Committee's administrative expenses were subscribed by all member governments; its operational expenditures were underwritten equally by the Governments of the United States and the United Kingdom, all other member governments being asked to contribute voluntarily. Thirty-five governments are presently members of the Committee. Contributions to the

operational expense, in addition to those made by the Governments of the United States and the United Kingdom, have been received from the Governments of France, Belgium, Norway, Canada, and Switzerland.

Until the extension of the Committee's activities in the summer of 1946 to non-repatriable displaced persons in Germany, Austria, and Italy, the Intergovernmental Committee's program was limited to aid for three categories of refugees: (1) German and Austrian victims of persecution; (2) Spanish Republican refugees; and (3) small groups of legally denationalized refugees. For these the Committee's program has provided legal protection, maintenance grants when not otherwise provided, special small short-term loans for reestablishment of private business leading to permanent settlement in a country of refuge, special services to children and elderly refugees, and assistance in emigration for the reuniting of families and for permanent resettlement in new countries. As part of its program of legal protection the Intergovernmental Committee sponsored, in October 1946, an international conference which adopted a new form of international travel document for issuance to refugees who do not have the protection of any government. To carry out its program the Committee maintains offices in Austria, Belgium, Czechoslovakia, France, Germany, Holland, Italy, the Middle East, Switzerland, and the United States. It has also acted on behalf of refugees in Spain, Portugal, and Shanghai, China, through the agency of American private voluntary relief organizations.

### **U.S.-Canadian Discussions on Civil-Aviation Matters**

[Released to the press December 13]

Discussions relating to civil-aviation matters have taken place in Washington during the past few days between representatives of the United States and Canadian Governments. The chief

topic of discussion dealt with a proposed revision of the 1945 bilateral air-transport agreement between the two countries, which would probably include additional routes. Tentative agreement was reached in the form of a revised arrangement, with the matter of specific routes to be discussed in a subsequent conference in the near future. Recommendations were also agreed to by the two delegations concerning the problem of non-scheduled air services and the facilitation of customs and immigration procedures relating to air travel.

Under Secretary of State W. L. Clayton and the Honorable C. D. Howe, Minister of Reconstruction, were the heads of the respective United States and Canadian Delegations, which also included officials from the interested agencies of the two Governments.

### **Department of State Bulletin Subscription Price Increased**

The annual subscription price of the DEPARTMENT OF STATE BULLETIN will rise from \$3.50 to \$5.00 on January 1, 1947, owing to a combination of factors which has left the Superintendent of Documents, Government Printing Office, no choice but to take this action. These factors are the constantly expanding size and scope of the BULLETIN, as it attempts to cover the vast range of American international relations, and the rising cost of production. The printing and publishing of government publications are affected as much by the rising prices of materials and other production factors as any other integral part of the national economy.

The need to take this action is regretted both by the Department of State and by the Superintendent of Documents. After thorough study of the problem during recent months the Department of State considers that the increase in price is preferable to the only alternative, which would have been to make drastic reductions in the quantity of original documentation and other material provided readers.

## THE RECORD OF THE WEEK

### Private Enterprises Nationalized In Yugoslavia

[Released to the press December 12]

The Department of State stated on December 12 that it had received reports from the American Embassy in Belgrade that the Yugoslav People's Assembly passed a law on December 4 nationalizing private economic enterprises deemed to be of national or state importance in 42 industries. Only a few details have yet been received in Washington. The official text had not been published in Belgrade, according to latest information.

The American Embassy in Belgrade will report detailed information as it becomes available. The Department has requested the Embassy to take appropriate action to safeguard the rights of American nationals, especially with reference to extension of time limits for protests and adequate and effective compensation.

Among the different types of industries affected by the Yugoslav nationalization law are: mining, petroleum, transportation, communications, electric power, food, banks, insurance, textiles, and wholesale trade. The Yugoslav Government apparently is appointing managers to take control immediately of the assets and accounting procedures of nationalized firms. Obligations of firms are said to be assumed by the Yugoslav Government, excepting those arising from collaboration, speculation, and over-capitalization.

Compensation is to be paid for these properties equivalent to the value of the net assets on the day control passes to the Government. Such compensation will be paid in government bonds issued in the name of specially created federal or state funds for nationalized property and guaranteed by the Yugoslav Government. From information so far available, it appears that a special formula may

be used for compensation for previously expropriated property now nationalized. In exceptional cases (not specified), the Government may pay compensation partly or wholly in cash rather than in bonds. Future decrees will provide for the terms of bonds issued for compensation, including amortization, interest rates, and negotiability. The procedures to be used in determining the value of properties nationalized will also be stated in a future decree. No compensation is to be paid for nationalized properties that served social, charitable, or cultural purposes.

Owners of nationalized property were given only 15 days to file appeals. The time from which the 15 days runs is not specified but it is assumed to be from December 4, which would make the last date for receipt of appeal on December 19. The grounds for appeal apparently are confined to pointing out the inapplicability of the law to the particular property. Actions to prevent or make difficult nationalization as such are decreed null and void.

### Deposit of Shares in Yugoslav Stock Companies for Conversion and/or Registration

[Released to the press December 13]

The Department of State wishes to remind American holders of shares in Yugoslav stock companies of the December 21, 1946 deadline for deposit of such shares for conversion and/or registration pursuant to a decree published June 21, 1946 in "The Official Gazette of the Federal People's Republic of Yugoslavia". Shares held outside Yugoslavia are to be deposited with Yugo-

av diplomatic representatives while shares held in Yugoslavia are to be deposited with a Yugoslav bank. The decree provides penalties for non-compliance including forfeiture of the securities to the Yugoslav Government.

The Department of State suggests that United States citizens holding Yugoslav stock-company shares in the United States communicate with the Yugoslav Embassy, 1520 Sixteenth Street, Washington, D. C., regarding deposit of their shares. If shares are held in Yugoslavia for the account of a United States citizen, the latter should send appropriate instructions regarding them to his agent in Yugoslavia.

Detailed information regarding the text of the decree may be obtained, if required, by communicating with the Department of State.

### Polish-American Newspapers Banned in Poland

[Released to the press December 9]

The Department has been informed by the American Embassy in Poland that the Polish Government has banned the admission into Poland of Polish-American newspapers which are published in the United States. These newspapers are among the largest and most influential Polish-language dailies and weeklies in the United States. The order, issued by the Director of the Central Bureau of Press, Publications and Theaters, appeared in the *Monitor Polski*, the official organ of the Government, in its issue of November 15, a copy of which has just been received by the American Embassy in Warsaw. The order banned the admission into Poland of a total of 56 Polish publications issued in the United States, Austria, France, Great Britain, Italy, Palestine and elsewhere in the Near East.

The 17 Polish-American newspapers are: *Uzas*, Brooklyn; *Newy Swiat*, New York; *Tygodnik Polski*, New York; *Glos Narodu*, Jersey City; *Assaie-Nowiny*, Newark; *Kurier Codzienny*, Boston; *Gazeta ty Godniowa*, Schenectady; *Ameryka-Echo*, Toledo; *Nowiny Polskie*, Milwaukee; *Kurier Polski*, Milwaukee; *Dziennik wiazkowy*, Chicago; *Narod Polski*, Chicago; *Glos Polak*, Chicago; *Dziennik Polski*, Detroit; *wiazda*, Philadelphia; *Jednose*, Philadelphia; and *Pittsburgezanim*, Pittsburgh.

### Repatriation of American Citizens From Poland

[Released to the press December 11]

The S.S. *Ernie Pyle* is scheduled to arrive at New York on December 12, 1946, carrying 552 American citizens who are being repatriated from Poland. Although the repatriation of small groups of American citizens from Poland has been proceeding from time to time since the opening of the American Mission at Warsaw in July 1945, this is the first large group to be repatriated. The *Ernie Pyle* was sent to Gdynia by the Maritime Commission especially for this purpose. The repatriation of this group was made possible through the special efforts of the American Embassy at Warsaw with the cooperation of the Polish Government.

There still remain in Poland many American citizens whose repatriation the Department will continue its efforts to effect as promptly as circumstances permit.

### American Economic Mission to Greece

[Released to the press December 11]

The appointment of Paul Porter as chief of an American economic mission to Greece was announced by Acting Secretary Acheson on December 11. Mr. Porter until recently headed the Office of Price Administration.

The mission will leave for Greece during January and, because of the urgency of the situation, has been asked to complete its work by the end of April 1947. It is being sent in response to a request made by Greek Prime Minister Tsaldaris to Secretary Byrnes. In addition to Mr. Porter the mission will consist of a small group of economic, financial, and engineering experts.

The mission will examine economic conditions in Greece as they bear upon the reconstruction and development of the economy of that country. It will consider the extent to which the Greek Government can carry out reconstruction and development through effective use of Greek resources and the extent to which foreign assistance may be required.

In making the announcement, Acting Secretary Acheson recalled the valiant stand of the Greeks against the Nazi invasion, their continued resistance and sacrifices throughout the long occupation,

and the hardships consequent upon the war which they have endured since liberation. He stated that the United States has long felt a close relationship with Greece particularly because of cultural ties between the two countries and because of the large number of American citizens of Greek descent. He said that Greece is striving to revive its economic system and that the purpose of the mission will be to assist in this effort.

As chief of the mission, Mr. Porter will have the personal rank of Ambassador. He comes to his new position after wide experience in government administration, having served since 1942 successively as Deputy Administrator for Rent in OPA, Associate Administrator of the War Food Administration, Associate Director of the Office of Economic Stabilization, Chairman of the Federal Communications Commission, and Head of OPA.

## Further Interpretation of Rush-Bagot Agreement

[Released to the press December 13]

The Governments of the United States and Canada announced on December 13 a further interpretation of the Rush-Bagot agreement of 1817 regulating the presence of naval vessels upon the Great Lakes.<sup>1</sup> Originally drafted as a means of settling specific problems arising from the War of 1812, the Rush-Bagot agreement has become a symbol of the friendly relationship between the United States and Canada. Although its technical provisions have been outdated for many years, the spirit of the agreement has been maintained by frank and friendly consultation between the United States and Canada upon all questions relating to naval vessels upon the Great Lakes. In continuation of this practice, Canada and the United States have agreed upon the following interpretation of the Rush-Bagot agreement of 1817 which is expressed in the appended exchange of notes between the Acting Secretary of State and the Canadian Ambassador in Washington:

No. 421

*November 18, 1946.*

SIR:

You will recall that the Rush-Bagot Agreement of 1817 has been the subject of discussion between our Governments on several occasions in recent years and that notes were exchanged in 1939, 1940<sup>2</sup> and 1942 relating to the application and interpretation of this Agreement. It has been recognized by both our Governments that the detailed provisions of the Rush-Bagot Agreement are not ap-

plicable to present-day conditions, but that as a symbol of friendly relations extending over a period of nearly one hundred and thirty years the Agreement possesses great historic importance. It is thus the spirit of the Agreement rather than its detailed provisions which serves to guide our Governments in matters relating to naval forces on the Great Lakes.

Discussions have taken place in the Permanent Joint Board on Defence with regard to the stationing on the Great Lakes of naval vessels for the purpose of training naval reserve personnel. The naval authorities of both our Governments regard such a course as valuable from the point of view of naval training and the Board has recorded its opinion that such action would be consistent with the spirit of existing agreements. The Canadian Government concurs in this opinion.

In order that the views of our two Governments may be placed on record, I have the honour to propose that the stationing of naval vessels on the Great Lakes for training purposes by either the Canadian Government or the United States Government shall be regarded as consistent with the spirit of the Rush-Bagot Agreement provided that full information about the number, disposition, functions and armament of such vessels shall be communicated by each Government to the other in advance of the assignment of vessels to service on the Great Lakes. If your Government concurs in this view, this note and your reply thereto shall be regarded as constituting a further interpretation of the Rush-Bagot Agreement accepted by our two Governments.

Accept [etc.]

H. H. WRONG

<sup>1</sup> Treaty Series 110½.

<sup>2</sup> BULLETIN of Mar. 29, 1941, p. 366.

December 5, 1946.

EXCELLENCY:

I have the honor to acknowledge the receipt of your note No. 421 of November 18, 1946, in which you advised me that your Government has proposed a further interpretation of the detailed provisions of the Rush-Bagot Agreement. My Government is in complete accord with yours as to the historic importance of this Agreement as a symbol of the friendship between our two countries and agrees that it is the spirit of this agreement which guides our Governments in matters relating to naval forces on the Great Lakes.

I am now pleased to inform you that my Government concurs with your proposal, namely, that the stationing of naval vessels on the Great Lakes for training purposes by either the Canadian Government or the United States Government shall be regarded as consistent with the spirit of the Rush-Bagot Agreement provided that full information about the number, disposition, functions and armament of such vessels shall be communicated by each Government to the other in advance of the assignment of vessels to service on the Great Lakes.

Accept [etc.]

DEAN ACHESON

*Acting Secretary of State*

## Food-Supply Agreement With Peru

[Released to the press December 11]

Col. Arthur R. Harris, president of the Institute of Inter-American Affairs and the Inter-American Educational Foundation, Inc., has returned from Peru with the report that the food-supply agreement between the United States and that country will continue in operation until June 30, 1948.<sup>1</sup>

The agreement covers the general problem of increasing food production in the Andean republic and assisting in setting up proper processing, storage, and distribution systems. The contribution of the United States is principally to furnish technical assistance. The agreement provides for this technical assistance under a cooperative service pattern for the purposes mentioned above; study of economic problems affecting these operations;

development of new acreage through agricultural colonization, soil conservation, and irrigation; provision of tools, equipment, insecticides, seeds, breeding livestock, other materials and the technical service to go with them; development of an agricultural extension service; technical studies in nutrition, diet, and home economy; and special assistance to inadequately financed small farmers.

The cooperative agricultural operations in Peru are conducted by Servicio Cooperativo Inter-Americano de Producción de Alimentos (SCIPA). SCIPA is headed by John Neal, chief of party for the Institute of Inter-American Affairs. He is assisted by 10 United States technicians and a large staff of Peruvian agriculturists. SCIPA operates under authority of the Peruvian Ministry of Agriculture.

The phase of cooperative food-supply activities covered in the agreement signed by Colonel Harris and Peruvian Minister of Agriculture Luis Ugarte Rose December 4, 1946 provides for a financial commitment to SCIPA by the Institute of \$75,000 as against a similar commitment of \$450,000 by Peru, or in the ratio of 1 to 6. Pursuant to the policy set forth at the Rio de Janeiro conference of 1942, the agreement was signed originally on May 19, 1943 for the purpose of bolstering food supply as part of continental defense and with the long-range purpose of assisting Peru to strengthen its basic economic structure. On the principle of diminishing United States financial commitments as the other American republics take over operations, United States financial commitments in the food program have decreased steadily with each phase of the program.

While in Peru, Colonel Harris also inspected operations of cooperative services in health and sanitation and elementary and vocational education conducted there with the assistance of the Institute of Inter-American Affairs and the Inter-American Educational Foundation, Inc. Prior to the Peruvian assignment he studied cooperative-action programs in the foregoing fields in Mexico, the Central American republics, and Panama. He left Washington on October 24 and returned on December 10.

<sup>1</sup> Previous agreements are printed in Executive Agreement Series 385 and 433.

## Report of Edwin W. Pauley on Industrial Conditions in Manchuria

[Released to the press December 13]

The Acting Secretary of State announced on December 13 that Ambassador Edwin W. Pauley, United States Reparations Representative, had submitted to the President his final report on industrial conditions in Manchuria, thus completing his Far Eastern mission. He had previously submitted his recommendations as to Japanese reparations and his survey of conditions in Korea.<sup>1</sup>

The Manchurian report estimated that industry in that country was directly damaged to the extent of \$858,000,000 during Soviet occupancy and that, considering replacement cost and deterioration, "two billion U.S. dollars is considered to be a conservative estimate of the damage." It continued:

"The difference in condition of the Manchurian industrial plant between Japanese surrender and the dates the Pauley mission made its survey is appalling. How much of the wrecked condition is a direct result of Soviet removals, and how much may be ascribed to pillage, civil war, and indirect consequences of the Soviet occupation cannot be accurately determined."

Ambassador Pauley noted that "United States policy in the post-war Far East was predicated upon the establishment of China as a strong, stable, united nation, with a basic economic self-sufficiency, so that nation could take its proper part in the development of a peaceful Asiatic economy."

He continued:

"During the years before and after Pearl Harbor, the Japanese had created in Manchuria a tremendous industrial structure which was definitely tributary to the economy of Japan.

"Had this structure remained as intact as it was on the date of Soviet occupancy and had China remained peaceful, the Manchurian industrial complex could have readily been integrated with China's growing economy, and so greatly accelerated the over-all Chinese industrial development.

"The large capacities in basic industries in Man-

churia would have made possible a rapid absorption by China of further processing equipment removed from Japan as reparations. At the same time, this action would have lopped off from Japan one of the most important sources of strength in the Japanese war potential. It was presumed that China could fill at least partially the economic vacuum resulting from the Japanese defeat and the consequent imposed reduction of Japan's productive capacity to a peacetime level."

The direct damage to the major basic industries is summarized in the following table:

**Summary of Damage to Basic Manchurian Industry**

Industry	Estimated loss (in U. S. dollars) due to removals and damage during Soviet occupation	Estimated percent reduction in productive capacity resulting from Soviet occupation
Electric power -----	\$201, 000, 000	71
Coal -----	100, 000, 000	-----
Iron and steel -----	141, 260, 000	*(51-100)
Railroads -----	137, 160, 000	-----
Metal working -----	150, 000, 000	80
Non-ferrous mining (coal excepted) -----	10, 000, 000	75
Liquid fuels and lubricants -----	11, 680, 000	65
Cement -----	23, 000, 000	50
Chemicals -----	14, 000, 000	50
Textiles -----	38, 000, 000	75
Paper and pulp -----	7, 000, 000	30
Radio, telegraph, and telephone -----	25, 000, 000	*(20-100)
Total -----	858, 100, 000	

\*Percentage varies in sub-categories.

Noting that "United States policy is directed toward the establishment of an economy that will promote a lasting peace in the Far East and to prevent the resurgence of Japanese economic domination", Ambassador Pauley stated:

"United States policy has long held that all Japanese assets, whether situated in Japan proper

<sup>1</sup> See BULLETIN of Aug. 4, 1946, p. 233.

or in other areas, were subject to removal as Allied reparations. Japanese assets in conquered areas such as the Philippines, China, including Manchuria and Korea, were to be taken from Japanese ownership and control and were to be operated for the benefit of the countries where the physical assets exist. It was considered that this primary step was necessary in order to strengthen the economies of the countries which had been victims of Japanese aggression and further to keep the facilities operating in order to prevent loss of needed production and safeguard the livelihood of the local population."

Turning to Soviet occupancy, Ambassador Pauley reported:

"Soviet forces entered Manchuria on August 8, 1945. Japanese resistance was confined to northern Manchuria and within a week this ended. Southern Manchuria, which contained over 80 percent of Manchurian industry, was taken practically unopposed and with little if any damage. There was ample opportunity for the orderly occupation of the entire area.

"Upon their arrival, the Soviets began a systematic confiscation of food and other stock piles and in early September, started the selective removal of industrial machinery. It is apparent that they planned to complete these removals by December 3, 1945, the date originally set for the withdrawal of all Soviet military forces from Manchuria.

"The term *stripping* as it has been used in the press in connection with removals from Manchuria is a misnomer. The Soviets did not take everything. They concentrated on certain categories of supplies, machinery, and equipment. In addition to taking stock piles and certain complete industrial installations, the Soviets took by far the larger part of all functioning power generating and transforming equipment, electric motors, experimental plants, laboratories, and hospitals. In machine tools, they took only the newest and best, leaving antiquated tools behind. In the old Mukden Arsenal, for example, about one third of the tools were taken, while in the new Arsenal, virtually everything was taken or demolished.

"Not only were buildings and structures damaged by the removal of the equipment but the tak-

ing of some key equipment, such as generators and pumps from mines resulted in the loss of current production, and in irreparable damage to the mines by flooding. The removal of power facilities not only halted all current industrial production but also made it impossible to maintain and protect the plants themselves.

"By far the greatest part of the damage to the Manchurian industrial complex occurred during the Soviet occupation and was primarily due to Soviet removals of equipment. After the Soviet withdrawal, Chinese Communist action resulted in further damage to some of the installations."

Pauley reported that the Soviet forces also confiscated approximately three million United States dollars worth of gold bullion stocks and over a half billion Manchurian yuan from Manchukuo banks; also circulated nearly ten billion yuan in occupational currency, almost doubling the total Manchurian note issue.

In conclusion, Ambassador Pauley commented:

"It is generally agreed that China's first economic need is communications, principally railways, transport, and domestic shipping. Less than 10,000 miles of railway is in existence in all of China exclusive of Manchuria and less than half of that is now operable. Manchuria with its abundant natural resources and industrial plant would have been the logical point to begin the rehabilitation of China's transport. If Manchurian industry had been left intact it could also have produced the steel, machinery, and consumer goods so badly needed for restoration and for new construction in China.

"China's continuing internal strife is a major factor in retarding her economic recovery. But even this cannot minimize the powerful set-back which the destruction of the Manchurian industrial plant has been to Manchuria, to China, and to the Far Eastern world.

"Little can be done in the way of rehabilitation in China in the areas where fighting is going on or where the threat of armed action is present. This, however, should not delay the preparation of plans so that when peaceful conditions are resumed and communications restored, a rapid and orderly process of rehabilitation of the plants essential to primary needs of the inhabitants can begin. The natural resources are there."

## UNRRA Functions Under Sanitary Conventions Are Transferred to WHO

The Director General of the United Nations Relief and Rehabilitation Administration has notified the Secretary of State of the transfer to the Interim Commission of the World Health Organization, as of December 1, 1946, of the duties and functions entrusted to UNRRA under the 1944 sanitary conventions<sup>1</sup> and the 1946 protocols<sup>2</sup> prolonging those conventions.

Copies of the Director General's note of October 31, 1946, together with the enclosures thereto regarding that transfer, were transmitted by the Secretary of State to the governments concerned.

*Text of letter from the Director General of UNRRA to Secretary Byrnes*

*31 October 1946.*

SIR: I have the honor to refer you to paragraph 2 (f) of an Arrangement concluded on 22 July 1946 by sixty-one governments represented at the International Health Conference in New York, which creates the Interim Commission of the World Health Organization, and which reads as follows:

“(f) to take all necessary steps for assumption by the Interim Commission of the duties and functions entrusted to the United Nations Relief and Rehabilitation Administration by the International Sanitary Convention, 1944, modifying the International Sanitary Convention of 21 June 1926, the Protocol to Prolong the International Sanitary Convention, 1944, the International Sanitary Convention for Aerial Navigation, 1944, modifying the International Sanitary Convention for Aerial Navigation of 12 April 1933, and the Protocol to Prolong the International Sanitary Convention for Aerial Navigation, 1944.”

<sup>1</sup> Treaty Series 991 and 992.

<sup>2</sup> Treaties and Other International Acts Series 1551 and 1552.

I now have the honor to inform you that Resolution No. 94 adopted at the Fifth Session of the Council in Geneva on 14 August 1946 authorizes the Director General of the United Nations Relief and Rehabilitation Administration to take such steps as are necessary to transfer as soon as practicable to the Interim Commission of the World Health Organization the functions which had been entrusted to the Administration of UNRRA, under Resolutions No. 52 and No. 85, by the International Sanitary Conventions mentioned above as well as such other functions of UNRRA in the field of health as the World Health Organization might be willing to undertake.

The Director General is further authorized to transfer to the Interim Commission any of UNRRA's relevant records, equipment, and personnel which the Commission may desire, and, subject to the approval of the Central Committee, such funds from available resources as may be necessary for the performance of the transferred functions, provided the Commission has not available other resources for these functions.

A copy of Resolution No. 94 is enclosed for convenience of reference.

In pursuance of this Resolution the Director General of this Administration under date of 29 October 1946 addressed a letter to Dr. G. B. Chisholm, Executive Secretary, Interim Commission of the World Health Organization, 2 East 103rd Street, New York 29, New York, proposing that the duties and functions of UNRRA referred to in the Resolution be assumed by the Interim Commission of the World Health Organization as of 1 December 1946. A list of records, equipment etc., proposed to be transferred was attached to the letter.

To this communication a reply was received from Dr. Chisholm, likewise dated 22 October 1946, in which he states that pursuant to paragraph 2 (f) of the Arrangement concluded on 22 July 1946 and quoted above, the Interim Commission of the World Health Organization would undertake to carry out, as of 1 December 1946, the duties and functions which had been performed by UNRRA under the International Sanitary Conventions cited.<sup>1</sup>

As the Department of State is the depository of the International Sanitary Conventions and Protocols to which reference has been made, I have the honor to transmit herewith copies of the exchange of letters of 22 October 1946, between the Director General and Dr. Chisholm, with the request that you be good enough to cause appropriate notifications to be sent as soon as possible to all interested signatory governments advising them of the transfer, as of 1 December 1946, of the duties and functions of UNRRA in the field of health to the Interim Commission of the World Health Organization.

Very truly yours,

For the Director General

CORNELIUS VAN H. ENGERT  
*Acting Diplomatic Adviser*

Enclosures:

1. Resolution No. 94, 14 August 1946
2. Letter from Director General to Dr. Chisholm, 22 October 1946
3. Letter from Dr. Chisholm to Director General, 22 October 1946

[Enclosure No. 1]

#### Resolution No. 94

*Resolution relating to the Health Activities of UNRRA in connection with Item V of the Agenda*

WHEREAS

The functions of UNRRA in the field of health are necessarily of a temporary character; and

WHEREAS

The Council has taken note of the fact that the establishment of a World Health Organization is in progress and that an Interim Commission thereof

has been established and is functioning: it is therefore

*Resolved*

1. That the Director General consult with the Interim Commission of the World Health Organization with a view to the transfer as soon as practicable to the Commission of the duties and functions entrusted to the Administration, under Resolutions 52 and 85, by the International Sanitary Convention, 1944, modifying the International Sanitary Convention of 21 June, 1926, the Protocol to Prolong the International Sanitary Convention, 1944, the International Sanitary Convention for Aerial Navigation, 1944, modifying the International Sanitary Convention for Aerial Navigation of 12 April, 1933, and the Protocol to Prolong the International Sanitary Convention for Aerial Navigation 1944, as well as such other functions of UNRRA in the field of health as the World Health Organization or its Interim Commission may be willing to undertake.

2. That the Director General is authorized to take such steps as are necessary to effect the transfer to such Organization or Commission of UNRRA's functions under such Conventions as well as any of UNRRA's other functions in the field of health which such Organization or Commission is willing to undertake.

3. That the Director General is further authorized

(a) to transfer to the World Health Organization or its Interim Commission, from time to time, any available records, equipment, materials and personnel which such Commission or Organization may desire to accept and which are relevant to its functions; and

(b) subject to the approval of the Central Committee, to transfer to such Organization or Commission, from the available resources of UNRRA, such funds as may be necessary for the performance of the transferred functions, provided that the Organization or Commission has not available other resources for financing the performance of these functions.

<sup>1</sup> For enclosures 2 and 3, see BULLETIN of Nov. 10, 1946, p. 842.

**Status of:****International Sanitary Convention, 1944****Protocol to Prolong the International Sanitary Convention, 1944****International Sanitary Convention for Aerial Navigation, 1944****Protocol to Prolong the International Sanitary Convention for Aerial Navigation, 1944**

Compiled as of December 10, 1946 by the Treaty Branch, Office of the Legal Adviser, Department of State

Country	Date of entry into force			
	International Sanitary Convention, 1944*	Protocol to Prolong the International Sanitary Convention, 1944	International Sanitary Convention for Aerial Navigation, 1944*	Protocol to Prolong the International Sanitary Convention for Aerial Navigation, 1944
Australia .....	<sup>1</sup> 4/3/45	<sup>1</sup> 4/30/46	<sup>1</sup> 4/3/45	<sup>1</sup> 4/30/46
Belgium .....	<sup>2</sup> 1/25/46		<sup>2</sup> 1/25/46	
Canada .....	11/20/45	4/30/46	11/20/45	4/30/46
China .....	1/15/45	4/30/46	1/15/45	4/30/46
Czechoslovakia .....	4/30/46			
Denmark .....	<sup>3</sup> 8/23/46	<sup>3</sup> 8/23/46		
Dominican Republic .....	5/20/46	5/29/46	5/20/46	5/29/46
Ecuador .....	1/15/45		1/15/45	
France .....	1/15/45	4/30/46	1/15/45	4/30/46
Greece .....	1/15/45	4/30/46	1/15/45	4/30/46
Haiti .....	1/15/45	4/30/46	1/15/45	4/30/46
Honduras .....	1/15/45	7/8/46	1/15/45	7/8/46
Italy .....	4/30/46	7/23/46	4/30/46	7/23/46
Luxembourg .....	1/15/45	4/30/46	1/15/45	4/30/46
Netherlands .....	<sup>4</sup> 5/22/45		<sup>4</sup> 5/22/45	
New Zealand .....	<sup>5</sup> 5/22/45	4/30/46	<sup>5</sup> 5/22/45	4/30/46
Nicaragua .....	1/15/45	4/30/46	1/15/45	4/30/46
Poland .....	1/15/45	5/28/46	1/15/45	5/28/46
Syria .....	10/31/46	10/31/46	10/31/46	10/31/46
Union of South Africa .....	1/15/45	7/12/46	1/15/45	<sup>6</sup> 7/12/46
United Kingdom of Great Britain and Northern Ireland .....	<sup>7</sup> 1/15/45	4/30/46	<sup>7</sup> 1/15/45	4/30/46
United States of America .....	5/29/45	8/6/46	5/29/45	8/6/46

\*The 1944 conventions are no longer in force with respect to those countries which have not become parties to the 1946 protocols prolonging those conventions

<sup>1</sup> With reservations, and does not apply to the Territories of Papua and Norfolk Islands or the Mandated Territories of New Guinea and Nauru.<sup>2</sup> Applies to Belgium, the Belgian Congo, and the Territory of Ruanda-Urundi under Belgian mandate.<sup>3</sup> Does not apply to Greenland and the Faroe Islands.<sup>4</sup> Applies to those parts of the Kingdom of the Netherlands situated in Europe.<sup>5</sup> Applies to New Zealand and its island territories, and to the Mandated Territory of Western Samoa, with a reservation regarding application of the aerial convention.<sup>6</sup> With reservation.<sup>7</sup> Applies to specified British territories with certain reservations.**Letters of Credence***Ecuador*

The newly appointed Ambassador of Ecuador, Señor Dr. Don Francisco Ylleseas Barreiro, presented his credentials to the President on December 13. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 901.

**THE FOREIGN SERVICE****Consular Offices**

The American Vice Consulate at Punta Arenas Chile, was closed to the Public on November 30 1946.

The American Consulate at Puerto Cortés, Honduras, was closed to the public on November 30 1946.

## Filipino Seamen Awarded Merchant Marine Honors

Awards of the Mariner's Medal and citations were made posthumously on December 11 to 51 Filipino seamen who gave their lives in the service of the American Merchant Marine during World War II.

In ceremonies at the Department of State, the awards were presented by Vice Admiral William W. Smith (U.S.N., retired), chairman of the Maritime Commission, to Ambassador Paul V. McNutt. Ambassador McNutt, in turn, will carry them to Manila on his return to the American Embassy there and will present them individually to the next of kin of the seamen at special Embassy ceremonies. These awards are the first in a series to be held for Filipino merchant seamen.

Also present at the ceremony were Ambassador Joaquín M. Elizalde of the Republic of the Philippines; John Carter Vincent, Director, Office of Far Eastern Affairs, Department of State; and Jesse E. Saugstad, Chief, Shipping Division, Department of State.

## Panama Ratifies Inter-American Automotive Convention

The Director General of the Pan American Union informed the Department by a letter of November 18, 1946 that on November 6, 1946 the Government of Panama deposited its instrument of ratification of the convention on the regulation of inter-American automotive traffic,<sup>1</sup> which was opened for signature at Washington on December 15, 1943.<sup>2</sup>

## THE DEPARTMENT Appointment of Officers

Louis F. Thompson as Chief, Division of Finance, Office of Budget and Finance, effective November 3, 1946.

G. Stewart Brown as Deputy Director, Office of International Information and Cultural Affairs, effective December 3, 1946.

<sup>1</sup> Treaties and Other International Acts Series 1567.

<sup>2</sup> BULLETIN of Dec. 1, 1946, p. 1021.

## Addresses and Statements of the Week

<p>Acting Secretary Acheson.</p>	<p>On the achievements of UNRRA. Text issued as press release 888 of Dec. 10. Printed in this issue.</p> <p>Statement on appointment of Alger Hiss as president of Carnegie Endowment for International Peace. Text issued as press release 892 of Dec. 10. Not printed.</p> <p>Remarks upon occasion of presentation of Medal for Merit to Fiorello La Guardia. Text issued as press release 906 of Dec. 13. Not printed.</p>	<p>Delivered at the opening session of the Sixth Council of UNRRA in Washington on Dec. 10.</p> <p>Made on Dec. 10.</p> <p>Made at 7th plenary meeting of Sixth Council of UNRRA in Washington on Dec. 13.</p>
<p>Villard L. Thorp, Assistant Secretary for Economic Affairs.</p> <p>Lay Atherton, American Ambassador to Canada.</p>	<p>"The Farmer's Stake in American Economic Foreign Policy". Text issued as press release 887 of Dec. 10. Not printed.</p> <p>"U. S. Relations with Canada". Text issued as press release 898 of Dec. 14. Not printed.</p>	<p>Delivered before the American Farm Bureau Federation in San Francisco on Dec. 10.</p> <p>Broadcast over the NBC network on Dec. 14.</p>

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## Contributors

*S. W. Boggs*, author of the article on cartohypnosis, is Special Adviser on Geography in the Office of the Special Assistant for Research and Intelligence, Department of State.

*Joe D. Walstrom*, author of the article on bilateral air-transport agreements concluded by the United States, is Associate Chief of the Aviation Division, Office of Transport and Communications, Department of State.

*Horace F. Amrine*, author of the article on demonstrations of radio aids to air navigation, is a Divisional Assistant in the Aviation Division, Office of Transport and Communications, Department of State.

*H. Van Zile Hyde*, author of the article on the second session of the Interim Commission of the World Health Organization, is Assistant Chief of the Health Branch, Division of International Labor, Social and Health Affairs, Office of International Trade Policy, Department of State. Dr. Hyde served as U. S. alternate representative to the Interim Commission.

*Martha H. Biehle*, author of the article on the sixth plenary session of the Intergovernmental Committee on Refugees, is U. S. resident representative on that Committee.

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# The Department of State

Vol. XV, No. 391  
December 29, 1946

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*The Department of State* bulletin

VOL. XV, No. 391 • PUBLICATION 2714

December 29, 1946

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, 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.*

For sale by the Superintendent of Documents  
U. S. Government Printing Office  
Washington 25, D. C.

SUBSCRIPTION:  
52 issues, \$5.00; single copy, 15 cents

Published with the approval of the  
Director of the Bureau of the Budget

## REPORT ON THE INTERNATIONAL WOOL TALKS

by Clarence W. Nichols

*At London, November 11-15, 1946, representatives from 13 countries participated in a review of the world situation of apparel wool. The delegates unanimously agreed upon the following resolutions: that it is desirable to keep the world position of wool under intergovernmental review; that representatives recommend to their governments the establishment of an International Wool Study Group; that the United Kingdom be invited to obtain, by February 1, 1947, from the invited governments their decisions regarding the establishment of a wool study group.*

An intergovernmental review and discussion of the world apparel-wool situation took place in London November 11-15, 1946, upon the invitation of the United Kingdom Government. Representatives of countries which are substantially interested in production, consumption, and trade of apparel wool participated.<sup>1</sup>

Delegates of the following 13 countries attended the talks: Argentina, Australia, Belgium, Canada, China, France, India, Italy, New Zealand, South Africa, United Kingdom, United States, and Uruguay. The Union of Soviet Socialist Republics had been invited to participate but was unable to be represented. Representatives of the United Kingdom - Dominions Wool Disposals, Ltd. (joint organization) attended the discussions regarding the organization and program of that intergovernmental agency. The department of economic affairs of the United Nations was represented by an observer at the conference.

At the conclusion of the talks, the delegates

unanimously agreed upon the following resolutions:

1. "Having made a survey of the prospective world position of wool, the Conference is agreed on the desirability, in the interests of producers and consumers, of the situation being kept under intergovernmental review".

2. "The representatives of all governments participating in this Conference, accordingly agree to recommend to their governments that an International Wool Study Group should be established".

3. "The Conference agrees that the United Kingdom government should be invited to obtain by February 1, 1947, from the governments which received invitations to the Conference, their decisions regarding the establishment of a Wool Study Group and to arrange for a first meeting of the Study Group."

It was contemplated in the discussions that an international wool study group would include participation by governments of the countries which are substantially interested in production or con-

<sup>1</sup>For article by James G. Evans on "American Wool Export Policy", see BULLETIN of Nov. 3, 1946, p. 783.

sumption of apparel wool and that the group would meet periodically for the purpose of discussing common problems. It was anticipated that such a group would: (1) make studies of the world wool position; (2) provide continuous information regarding actual and prospective supply and demand; (3) consider possible solutions to problems which are unlikely to be solved by the ordinary development of world trade in wool; and (4) formulate and transmit recommendations to the participating governments.

The study group, if established, would consider by what means and to what extent necessary statistics should be collected, and would establish a secretariat if such a step were deemed necessary. Member countries would share any costs of statistical and secretarial work upon a basis to be mutually agreed. Such a group would continue to function during such periods as desired by the participating governments. Arrangements would be made for interested non-member governments to be informed of the studies and discussions. The conference agreed that a Wool Study Group should maintain close liaison with existing organizations in the wool field with a view to taking full advantage of the information collected by those organizations.

The conference considered the present statistical position as regards world stocks, production, and consumption of apparel wool, and reviewed the prospects for 1946-1947. A heavy transfer of stocks of wool from public ownership to private ownership has occurred since the termination of hostilities, and the rate of apparel wool consumption in many countries has recovered with encouraging rapidity from wartime limitations. However, stocks of wool which accumulated during the war remain large.

Total world stocks of apparel wool on June 30, 1946 were estimated at approximately 5 billion pounds, grease basis, of which more than half remained in the hands of governmental organizations. These publicly owned stocks amounted to almost one year's production. The view was expressed that the absorption of excess governmental and commercial stocks into final consumption alongside the new clips of 1946-1947 and later seasons remains a formidable problem.

World production of apparel wool somewhat in excess of 2.7 billion pounds both in the 1945-1946 season and in the 1946-1947 season was estimated to compare with world consumption of

approximately 2.5 billion pounds during 1945-1946 and approximately 3.1 billion pounds during 1946-1947. The conference recognized that these estimates are subject to an appreciable margin of error in view of the inadequacies of available statistical data.

The conference felt that any action which may be taken internationally for the improvement of world wool statistics should aim for the development of information in greater detail and in accordance with more uniform classifications and definitions.

The conference agreed upon the desirability of avoiding as far as possible excessive price fluctuations and of securing the expansion of world consumption of wool to supply accumulated needs for apparel and to liquidate at reasonable and stable price levels the large stocks which developed in several producing countries during the war.

It was recognized in the discussion that some major importing countries are confronted with a problem of maintaining a domestic wool industry in the face of cheap imports, which possibly may involve the use of subsidies or other measures.

The conference stressed the importance of steady and orderly liquidation of abnormal stocks and devoted special consideration to the organization and policies of the United Kingdom-Dominions Wool Disposals, Ltd., an agency of the governments of the United Kingdom, Australia, New Zealand, and South Africa. Emphasis was laid upon the importance of avoiding prices so low as to cause widespread hardship to producers and serious damage to economic structures. Emphasis was also placed upon the importance of avoiding prices so high as to retard consumption of apparel fibers or increase the competitive power of other textile materials in relation to wool.

Representatives of the joint organization stated that the organization was prepared to supplement supplies by offering to meet the demand, within the limitations imposed by shortages of certain particular types of wool and difficulties encountered in handling and transport. The policy of the organization was stated to be one of offering the maximum amounts of available wool which could be handled effectively at any given time. The joint organization emphasized the desirability of extending the range of types of wool used, pointing out that concentration by processors upon a narrow range of types leads to scarcity and high prices for those types.

# SUPPRESSION OF THE USE OF SMOKING OPIUM

## Exchange of Notes Between U.S. and U.K. Governments

*Aide-mémoire dated September 21, 1943 from the Department of State to the British Embassy at Washington*

The Government of the United States offers for the consideration at this time of the British and other interested Governments the adoption of a common policy having as an objective the suppression of the non-medical use of narcotic drugs in areas in the Far East now occupied by Japanese forces when such areas are reoccupied by the armed forces of the United Nations.

The doctrine that the abuse of opium should be gradually suppressed was written into the International Opium Convention signed at The Hague on January 23, 1912, article 6 of which provides that "The Contracting Powers shall take measures for the gradual and efficacious suppression of the manufacture, the internal traffic in and the use of prepared opium in so far as the different conditions peculiar to each nation shall allow of this, unless existing measures have already regulated the matter." Subsequently, each of the Governments parties to the Hague Opium Convention having possessions in the Far East enacted legislation which it deemed to be appropriate for the fulfilment of article 6 of that Convention. In view of the measures which have been taken during the last twenty years to combat the abuse of narcotic drugs, especially the coming into force

of the Narcotics Limitation Convention of 1931, the prohibition at the end of 1935 of the exportation of opium from India to the Far East, and the enactment by the Chinese Government in 1941 of laws prohibiting all traffic in opium and narcotics except for medical purposes, this Government feels that the interested Governments, acting in concert, can now solve the problem of smoking opium.

The rising tide of world opinion against the use of prepared opium was vigorously reflected in a resolution adopted by the International Labor Conference at its twentieth session in June 1936. In its report entitled "Opium and Labor", the International Labor Office stated that "opium smoking is injurious to the workers, impedes their social and economic development, impairs their health and decreases their efficiency and, when it is practiced continuously, shatters the health and increases the death rate of the smokers, and tends to reduce the rate of economic and social progress in the districts affected." The International Labor Conference, taking note of this report, suggested the "drawing up and application of such additional laws and regulations as governments may consider necessary to bring about the cessation of licensed use of opium for smoking within five years" in countries in which the sale of opium for smoking is authorized.

Since 1936 the leaders of only one country in the world have deliberately chosen to encourage the use of prepared opium and other dangerous drugs. That country is Japan. Wherever the Japanese armies have gone the traffic in opium has followed. The Japanese military forces now occupy the Philippine Islands, parts of China, French Indochina, Thailand, Burma, Hong Kong, the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Sarawak, British North Borneo, the Netherlands Indies, Timor, and other territories in the Southwest Pacific.

For an article on "International Control of Dangerous Drugs", by George A. Morlock, see BULLETIN of Nov. 17, 1946, p. 885. For article on "Limitation of the Production of Opium", by the same author, see BULLETIN of Dec. 10, 1944, p. 723. For article on "International Bodies for Narcotics Control", by Philip M. Burnett, see BULLETIN of Oct. 14, 1945, p. 570. For exchange of notes between U.S. and Afghanistan concerning proposed convention to discuss world limitation of opium production, see BULLETIN of Dec. 10, 1944, p. 725; for similar exchange with Mexico, see BULLETIN of May 13, 1945, p. 911; with Turkey, see BULLETIN of July 8, 1945, p. 63; with U.S.S.R., see BULLETIN of July 22, 1945, p. 129; with U.K. concerning India, see BULLETIN of Feb. 17, 1946, p. 237.

It is believed that in all of those territories there will be found organizations sponsored by the Japanese military forces for the sale of narcotic drugs for other than medical purposes. The United Nations are now using and intend to use their military forces to the fullest possible extent to remove the Japanese forces from all of the above-mentioned areas. Owing to the presence of opium, opium shops, and opium smokers in those areas, it is the opinion of narcotics experts that there would be danger of infection of susceptible individuals among United Nations forces because it has been well established that most persons who begin to take drugs do so because of the accessibility of drugs and close association with persons who indulge in them. It is believed that it would not be sufficient for the military authorities merely to declare opium shops out of bounds for, in the presence of opium, addiction might spread rapidly.

From the standpoint of the health and safety of the men of the armed forces of the United States, this Government is convinced that it will be imperative, immediately upon the occupation of a part or the whole of any one of the above-mentioned territories by the United States forces, to seize all drugs intended for other than medical and scientific purposes which may be discovered and to close existing opium monopolies, opium shops and dens. This will be the policy pursued by all American expeditionary forces under American command.

The Government of the United States therefore proposes to the British Government that it give consideration to the question of adopting a common policy in collaboration with the other interested Governments to govern the action of expeditionary forces under Allied command. This policy would envisage each Government's instructing its military authorities to issue appropriate orders, as follows:

Immediately upon the occupation of a part or the whole of any one of the above-mentioned territories

(a) To seek out and to seize all drugs intended for other than medical and scientific purposes,

(b) To close existing opium monopolies, opium shops, and dens,

(c) To prohibit the importation, manufacture, sale, possession or use of prepared opium,

(d) To prohibit the importation, manufacture, sale, possession or use of opium and other dangerous drugs for other than medical and scientific purposes,

(e) To provide medical treatment for drug addicts in need of such treatment,

(f) To suppress the illicit traffic in narcotic drugs,

(g) To place under strict control all supplies of narcotic drugs for medical and scientific use, and

(h) To take the necessary steps, including the imposition of appropriately severe penalties, to enforce all orders relating to narcotic drugs.

Pending agreement with the interested governments for suppressive measures along the lines just mentioned, the Government of the United States reserves the right to take independently, in all localities where its military forces may be operating, suitable measures which may be deemed to be necessary for the protection of the health of those forces.

Envisaging that United Nations military control of territories will bring about a temporary cessation of legal opium smoking, the Government of the United States believes that such a break in opium usage will afford interested governments a unique opportunity to end once and for all legitimized use of prepared opium in those territories. It is the opinion of this Government that this opportunity may be lost if governments do not agree upon and proclaim beforehand a policy of complete prohibition of prepared opium in all areas from which they may drive out the enemy.

It is the belief of this Government that any loss of opium revenue as a result of the adoption of a prohibition policy would be more than offset by the resulting social and economic gains, as the productive capacity of the natives would be considerably increased and as there would follow a corresponding improvement in their standard of living.

This Government is firmly of the opinion that the adoption of a prohibition policy would facilitate the international efforts already undertaken to draft a convention for the limitation and control of the cultivation of the opium poppy strictly to the medical and scientific requirements of the world, and it regards the suppression of prepared opium in the areas now occupied by the Japanese as a necessary first step to that end.

The present time would appear to this Government to be especially propitious from a psychological viewpoint for the interested governments to proclaim their intention to enforce a policy of complete suppression of prepared opium and to institute other positive measures for the improvement of the health and welfare of the people of those territories. Such a proclamation would emphasize the contrast with the Japanese policy of using narcotics to poison and weaken those people and neglecting their health and welfare.

The Government of the United States accordingly further proposes to the British Government that it give consideration to the question of making a public announcement at an early date, simultaneously with similar action by the other interested governments, that immediately upon the resumption of control over a part or the whole of any one of the British territories now occupied by the Japanese, the British Government will take all measures and enact all legislation necessary for the prohibition of the importation, manufacture, sale, possession or use of prepared opium and other dangerous drugs, except for medical and scientific purposes.

In conclusion, the Government of the United States, believing that the British Government is anxious to put into force in its possessions in the Far East laws and policies with respect to opium similar to those in effect in the United Kingdom in order to promote the establishment of uniform standards in relation to the use of opium among all peoples of the world, expresses the confident hope that the British Government will concur in and will cooperate in carrying out the policies and programs set forth above relating to the period of military government and to the subsequent re-establishment of civil government in territories in the Far East retaken from the enemy.

Copies of this aide-mémoire are being furnished to the Minister of Australia and to the Chargé d'Affaires ad interim of Canada and of New Zealand. Identical aide-mémoire, *mutatis mutandis*, are being delivered to the Chinese and Netherlands Ambassadors, and a similar one is being delivered to the Minister of Portugal.

*Note dated October 6, 1943 from the British Embassy at Washington to the Department of State*

His Majesty's Chargé d'Affaires presents his compliments to the Secretary of State and has the

honour to acknowledge the receipt of the Department's aide-mémoire No. 890.114 Narcotics/12 of September 21st, regarding the suppression of the non-medical use of narcotic drugs in areas in the Far East now occupied by Japanese Forces when such areas are reoccupied by the armed forces of the United Nations.

The contents of the aide-mémoire have been transmitted to the appropriate British authorities in London, and a further communication will be made as soon as possible.

*Aide-mémoire dated November 6, 1943 from the British Embassy at Washington to the Department of State*

His Majesty's Government in the United Kingdom have received the views of the Government of the United States, embodied in the Department's aide-mémoire No. 890.114 Narcotics/12 of September 21st, 1943, on the policy to be adopted by the United Nations in the matter of the control of opium in territories in the Far East freed from Japanese occupation.

2. Before the receipt of the Department's communication, His Majesty's Government had already been considering this question and had reached the same conclusions as the United States Government, namely that opium smoking should be prohibited and prepared opium monopolies should not be established in British territories to be freed from Japanese occupation. In accordance with their decision, His Majesty's Government propose to issue on November 10th, 1943 a statement in the following terms:-

"By the Hague Convention of 1912 His Majesty's Government undertook to take measures for the gradual and effective suppression of opium smoking. The Geneva Agreement of 1925 contained provisions supplementary to and designed to facilitate the execution of the obligations assumed under the Hague Convention, and in particular provided that the importation, sale and distribution of opium and the making of prepared opium for sale shall be a monopoly of the Government. Under the system of Government monopoly, supplies of prepared opium were restricted to habitual smokers and as a result of the administrative measures and general improvement brought about in social conditions during the twenty years preceding the Japanese aggression,

much progress had been made towards the suppression of opium smoking.

"His Majesty's Government in the United Kingdom have now decided to adopt the policy of total prohibition of opium smoking in British and British protected territories in the Far East which are now in enemy occupation, and in accordance with this policy prepared opium monopolies formerly in operation in these territories will not be reestablished on their reoccupation. The success of the enforcement of the prohibition will depend on the steps taken to limit and control production in other countries. His Majesty's Government will consult with the governments of the other countries concerned with a view to securing their effective cooperation in the solution of this problem."

A similar statement will, it is understood, be issued at the same time by the Netherlands Government.

3. His Majesty's Government believe that the policy to be announced in the above statement involving as it does the imposition of a total prohibition of opium smoking and the closing of government monopolies, together with other relevant legislation enacted and brought into operation many years ago, will bring about a situation in the British colonial territories concerned in which the importation, manufacture, sale, possession or use of all forms of opium or its derivatives or of all other habit-forming drugs covered by various international conventions will be restricted under the most stringent regulations to medicinal and scientific purposes. As regards Burma, the effect will not immediately be so sweeping, owing to the habit (which does not exist in British colonial territories now in Japanese occupation) of eating unprepared opium for semi-medical purposes in many unhealthy parts of the country. This constitutes a different (and much more difficult) aspect of the problem of the suppression of the use of opium from that of the suppression of opium smoking and of the traffic in prepared opium to which the Department's aide mémoire principally refers and which is also the subject of the intended declaration by His Majesty's Government. The Government of Burma have, however, already adopted the policy of the ultimate suppression of all opium consumption, and as part of their plans for a reconstruction policy in Burma are examining the best means of effecting the suppression in the shortest

possible time. An essential prerequisite for successful abolition is of course the effective control over opium in neighbouring countries, to which a reference is made in the intended statement.

4. In these circumstances, His Majesty's Government believe that the intended statement will fully meet the wishes of the United States Government as stated in the fourteenth paragraph of the Department's aide mémoire under reference. In bringing the terms of the statement to the attention of the United States Government, His Majesty's Government have in mind the possibility that the United States Government may wish to issue some simultaneous statement of their own which they presume would merely take note with satisfaction of the decision announced by His Majesty's Government and the Netherlands Government. His Majesty's Government are, however, most anxious that no such statement by the United States Government should be made before the issue of their own statement, as any premature disclosure of their intended policy might have unfortunate results.

5. With regard to the more detailed points in the Department's aide mémoire, His Majesty's Government are very willing to consider, in consultation with the United States Government, the application of the policy outlined in their intended statement in the areas occupied by the Japanese where United States troops are operating, and will communicate with them again on these points as soon as possible.

*Note dated November 22, 1943 from the Department of State to the British Embassy at Washington*

The Secretary of State presents his compliments to His Excellency the British Ambassador and has the honor to refer to the Embassy's aide-mémoire of November 6, 1943 in regard to the intention of the Government of the United Kingdom to issue on November 10, 1943 a statement of its decision to adopt the policy of total prohibition of opium smoking in British and British-protected territories in the Far East when those territories are freed from Japanese occupation. This statement, announcing the adoption by the Government of the United Kingdom of a policy closely in accord with that of the United States Government, has been read with satisfaction.

This Government is, of course, prepared to consult with the Government of the United Kingdom

and other Governments concerning measures which may be taken for the limitation and control of the production of the opium poppy and the suppression of the illicit traffic in opium.

There are enclosed herewith for the information of the Government of the United Kingdom five copies of a statement issued by the Acting Secretary of State commenting on the decisions announced on November 10, 1943 by the Governments of the United Kingdom and the Netherlands to prohibit the use of opium for smoking and not to reestablish opium monopolies in their territories in the Far East now occupied by the enemy upon their reoccupation.

The Secretary of State notes that the Embassy will communicate with him as soon as possible concerning the detailed suggestions contained in the Department's aide-mémoire of September 21, 1943.

*Enclosure:*

Five copies of  
press release no. 473

The following statement was issued by the Acting Secretary of State on November 10, 1943:

I have noted with satisfaction the decision announced today by the British and the Netherlands Governments to prohibit the use of opium for smoking and to abolish opium monopolies in their territories when those territories are freed from Japanese occupation.

For many years it has been the policy of the United States Government, domestically and internationally in cooperation with other governments, to seek the eradication of the abuse of opium and its derivatives. To this end it initiated the movement resulting in the calling of the International Opium Commission at Shanghai in 1909. It participated in the conference called at The Hague which resulted in the Hague Opium Convention of 1912. Article 6 of that Convention provided for the gradual suppression of the manufacture, the internal traffic in, and the use of prepared opium. Subsequently each of the governments parties to the Hague Opium Convention having possessions in the Far East enacted legislation which it deemed to be appropriate for the fulfilment of this article. The United States Government met its obligations under the Hague Convention through legislation which effectively prohibited the manufacture, importation, or sale of smoking opium both at home and in its possessions.

In view of the measures which have been taken during the last 20 years to combat the abuse of narcotic drugs, among which was the coming into force of the Narcotics Limitation Convention of 1931, this Government feels that the problem of smoking opium should now be susceptible of solution.

With reference to the question of limitation and control of production, mentioned in the statements made by the British and Netherlands Governments, the United States Government has for many years taken every opportunity to urge that only by limiting the cultivation of the poppy for the production of opium and other narcotic drugs can clandestine manufacture be stopped and the illicit traffic be effectively combated. This Government will therefore be glad to continue its cooperation in international efforts to bring about a solution of this problem.

On September 21, 1943 the United States Government addressed aide-mémoire to the British, Netherlands, and other interested governments in regard to the suppression of the non-medical use of narcotic drugs in areas in the Far East now occupied by Japanese forces when such areas are reoccupied by the armed forces of the United Nations. It is a source of deep gratification that the action taken by the British and Netherlands Governments is so closely in accord with the policy of the United States Government in this regard.

*Note dated February 19, 1945 from the British Embassy to the Department of State*

His Britannic Majesty's Ambassador presents his compliments to the Acting Secretary of State and has the honour to transmit to him herewith a draft received from the Foreign Office of a Civil Affairs Directive on Dangerous Drugs for Far Eastern Areas.

Lord Halifax is instructed to explain that, although the present draft does not follow verbatim the suggestions embodied in the Department of State's note (No. 890-114 Narcotics/12) of September 21, 1943, it does in fact cover the same ground and His Majesty's Government confidently expects that it will prove acceptable to the United States Government. The draft is based on the authority contained in article 6 of the Charter of the Combined Civil Affairs Committee, under which His Majesty's Government has the right to prescribe Civil Affairs policies for British territories located in a United States military Com-

mand. This authority has been interpreted in the light of the assurance given to the United States Government in this Embassy's Aide Memoire No. 930/19/43 of November 6th, 1943, to the effect that His Majesty's Government is willing to consult with the United States Government regarding the application of this policy to areas under Japanese occupation where United States troops are operating.

Lord Halifax would be glad to learn Mr. Grew's reactions to the present draft at his early convenience. The text follows:

"Draft of Civil Affairs Policy Directive on Dangerous Drugs (including opium) for (a) Supreme Allied Commander South East Asia Command (for Malaya) (b) Commander-in-Chief South West Pacific Command (for British territories in Borneo) (c) later on for Commander of Theatre in which Hongkong is then included.

The pre-war measures, based on International Conventions of 1912, 1925 and 1931, for control of stocks, importation, production, distribution, sale, possession and use of dangerous drugs should be restored as soon as possible.

2. As soon as practicable, the Chief Civil Affairs Officer should arrange to furnish, through the appropriate channels, quarterly returns to the Permanent Central Opium Board of:

(1) quantities of each of the drugs or raw materials imported or exported during the preceding quarter, indicating source of imports and destination of exports.

(2) the amounts of each drug manufactured during the quarter; and

(3) the amounts released for civilian requirements and stocks in hand at the end of the quarter (existing form in use under conventions to be used as far as possible).

3. The legislation in operation prior to the Japanese war should be amended as may be necessary to give effect to the statement of policy made by His Majesty's Government on November 10th, 1943, announcing the total prohibition of opium smoking in British protected territories in the Far East which are now in enemy occupation.

4. Steps should be taken to enforce this policy rigorously. In particular all opium shops and opium smoking dens should be closed, and all stocks of narcotic drugs, other than those intended for medical and scientific purposes should be seized.

5. Since prohibition of opium smoking may result in addiction to more deleterious form of drugs (such as heroin), the enforcement of the measures of control referred to in paragraph 1 will call for even greater vigilance than formerly.

6. Steps should be taken as soon as practicable to review and extend measures which were intended to create a strong public opinion against opium smoking.

7. Steps should be taken to re-establish and extend facilities for the treatment of drug addicts."

*Note dated June 9, 1945 from the Department of State to the British Embassy at Washington*

The Acting Secretary of State presents his compliments to His Excellency the British Ambassador and has the honor to refer to the Embassy's note no. 77 of February 19, 1945 (reference 1063/2/45), transmitting a draft Civil Affairs Directive on Dangerous Drugs for Far Eastern Areas, reading as follows:

[Here follows text of policy directive printed above.]

The United States Government finds the draft directive acceptable.

It is understood that, for the purposes of this directive, the term "Malaya" includes the Straits Settlements (except the Settlement of Labuan which is covered by the term "Borneo"), and that the term "Borneo" likewise includes Sarawak and Brunei.

The United States Chiefs of Staff have approved a Civil Affairs directive to the theater commander charged with the operations in Borneo, embodying the text of the directive quoted above. No action was taken with reference to the applicability of the directive to the Southeast Asia Command and Hong Kong.

## **Draft Resolution on Abolition of Opium Smoking in the Far East<sup>1</sup>**

The Commission on Narcotic Drugs

To fulfill the stipulation embodied in article 6 of the international drug convention signed at The Hague on 23 January 1912 concerning the suppression of the manufacture, internal traffic in and use of prepared opium;

Considering that the Governments of the United Kingdom, France, the Netherlands and Portugal had decided to adopt the policy of complete prohibition of opium-smoking in all their territories in the Far East and had taken measures to give effect to this policy;

Recommends that the Economic and Social Council urge all countries which still legalize the use of opium for smoking to take immediate steps to prohibit the manufacture, internal traffic in and use of such opium.

<sup>1</sup>Adopted by the Commission on Narcotic Drugs of ECOSOC at its fifth meeting at Lake Success on Nov. 29, 1946.

Meeting of the Security Council

DISCUSSION OF BORDER VIOLATIONS ALONG GREEK FRONTIER

Statement by U.S. Representative <sup>1</sup>

My Government has been for some time deeply concerned by the evident friction between Greece on the one hand and Albania, Yugoslavia, and Bulgaria on the other. This is not the first time that the Council has had its attention drawn to the disturbed and unsettled conditions existing in this area of the world. The four countries who are directly concerned are now before the Council and have accepted its jurisdiction for the purpose of pacific settlement of this case. All of them have indicated their willingness that the Council exercise its authority under the Charter to promote an amicable and peaceful solution of the difficulties. In our opinion this case is exactly the type of case which the Security Council was created to handle and I cannot overemphasize the importance, for the future of the United Nations, of our ability to arrive at a satisfactory solution.

From all the conflicting allegations which have been presented to the Security Council, there emerges clearly the central fact that there have been a great many border violations along the frontier between Greece on the one hand and Albania, Yugoslavia, and Bulgaria on the other. All the four Governments concerned have made official allegations, either before this Council or otherwise, that such border violations have taken place. Border violations of the nature of those alleged cannot be ignored by the Security Council. Its responsibility for the maintenance of peace requires that the Council deal squarely with the

situation. It seems to me to be the inescapable and self-evident duty of the Security Council to investigate the facts pertaining to these border violations without attempting at this time, on the basis of present information, to prejudge the issues.

For this reason my Government has instructed me to propose a commission of investigation to ascertain the facts relating to the border violations along the frontier between Greece on the one hand and Albania, Yugoslavia, and Bulgaria on the other. We think such an investigation is an essential first step in the Council's proceedings in this case. We have attempted, in drawing up our resolution, to make it as simple as possible in the hope that the Council would be able to accept it. We cannot, of course, know now what will be the results of such an investigation; nor can we know what other measures, if any, the Council may wish to recommend, after receiving the investigating committee's report. We do not see, however, how the Council can take effective action looking towards a peaceful settlement of this case without taking this first step.

With all the earnestness at my command, I urge the members of the Security Council to suspend judgment at this time on the merits of the various allegations which have been made and to agree that the Security Council, which has been entrusted by the United Nations with the maintenance of peace and security, should make its own investigation to ascertain the pertinent facts. It is with a sincere desire to see constructive action and even-handed justice result in a pacific solution of this case that I put forward for your consideration the following resolution.

<sup>1</sup> The statement and following resolution were submitted to the Security Council at its meeting in New York, N. Y., on Dec. 18, 1946. The U.S. Representative to the Security Council is Herschel V. Johnson.

**United States Resolution for Establishing  
Commission of Investigation<sup>1</sup>**

WHEREAS, there have been presented to the Security Council oral and written statements by the Greek, Yugoslav, Albanian and Bulgarian Governments relating to disturbed conditions along the frontier between Greece on the one hand and Albania, Bulgaria and Yugoslavia on the other, which conditions, in the opinion of the Council, should be investigated:

*Resolved:* That the Security Council under Article 34 of the Charter establish a Commission of Investigation to ascertain the facts relating to the alleged border violations along the frontier between Greece on the one hand and Albania, Bulgaria and Yugoslavia on the other.

That the Commission be composed of a Representative of each of the Permanent Members of the Council and of Brazil and Poland.

That the Commission shall proceed to the area at once, and not later than January 15, 1947, and shall submit to the Security Council at the earliest possible date a report of the facts disclosed by its investigation. The Commission shall, if it deems

it advisable or if requested by the Security Council, make preliminary reports to the Security Council.

That the Commission shall have authority to conduct its investigation in the area including such territory in Albania, Bulgaria, Greece and Yugoslavia as the Commission considers should be included in its investigation in order to facilitate the discharge of its functions, and to call upon the Governments, officials and nationals of those countries, as well as such other sources as the Commission deems necessary, for information relevant to its investigation.

That the Security Council request the Secretary-General to communicate with the appropriate authorities of the countries named above in order to facilitate the Commission's investigation in those countries.

That each Representative on the Commission be entitled to select the personnel necessary to assist him and that, in addition, the Security Council request the Secretary-General to provide such staff and assistance to the Commission as it deems necessary for the prompt and effective fulfillment of its task.

## Summary Statement by the Secretary-General<sup>2</sup>

### MATTERS OF WHICH THE SECURITY COUNCIL IS SEIZED AND OF THE STAGE REACHED IN THEIR CONSIDERATION

Pursuant to Rule 11 of the Provisional Rules of Procedure of the Security Council, I submit the following Summary Statement of matters of which the Security Council is seized and of the stage reached in their consideration on 13 December 1946.

#### 1. *The Iranian Question*

By letter date 5 December 1946, addressed to the Secretary-General (document S/204) the Iranian Ambassador in Washington, D. C., forwarded a report concerning the present state of affairs in the Province of Azerbaijan.

#### 5. *Rules Concerning the Admission of New Members*

By letter dated 25 November (document S/196) the Secretary-General requested the President of

the Security Council to bring to the attention of the Council a resolution of the General Assembly requesting the Security Council to appoint a committee to confer with a committee on procedures of the General Assembly with a view to preparing

<sup>1</sup> The Security Council on Dec. 19 adopted unanimously a revised resolution based on the U. S. proposal to set up an investigation commission for on-the-spot investigation. The resolution, altered by several amendments and minor alterations, creates an investigation commission composed of one representative of each of the 11 members of the Security Council as constituted in 1947. It shall proceed to the area not later than Jan. 15, 1947 and report its findings to the Council at the earliest possible date.

Mark Foster Etheridge has been appointed American representative on the commission of investigation.

<sup>2</sup> Security Council Document S/214, Dec. 13, 1946. This summary supplements the ones printed in the BULLETIN of Sept. 22, 1946, p. 528, and Oct. 13, 1946, p. 660; the omitted parts correspond substantially to the material formerly printed.

rules governing the admission of new Members which would be acceptable both to the General Assembly and to the Security Council.

At its eighty-first meeting on 29 November 1946, the Council instructed the Committee of Experts to name a small committee from its own number to meet with the committee which would be appointed by the Assembly, and to report any proposals back to the Council for further instructions.

At the eighty-third meeting on 12 December 1946, the President announced that the Chairman of the Committee of Experts had informed him that a Sub-Committee had been appointed consisting of the Representatives of China, (Chairman) Brazil and Poland. The President of the General Assembly would be informed that this Sub-Committee was ready to meet with a committee of the Assembly.

#### 6. *Re-Examination of Applications for Membership*

By letter dated 25 November 1946, (document S/197) the Secretary-General requested the President of the Security Council to bring to the attention of the Council a resolution of the General Assembly recommending that the Security Council re-examine applications for membership in the United Nations of the Peoples Republic of Albania, the Hashemite Kingdom of Transjordan, the Mongolian People's Republic, Ireland and Portugal, on their respective merits as measured by the yardstick of the Charter, in accordance with Article 4.

At its eighty-first meeting on 29 November 1946, the Representative of Australia proposed that the Council adopt the Assembly recommendation and refer the question to the Committee on the Admission of New Members. After discussion the Council decided to adopt the first part of this proposal, accepting the resolution of the General Assembly. At the request of the President the Representative of Australia withdrew the second part of his proposal on the understanding that before the next meeting of the Council the President would consult with the members to consider a line of procedure which would give effect to the desire of the Council to co-operate with the General Assembly, at the same time preserving its own entire right of freedom of action.

At the Council's eighty-second meeting on 10 December 1946, the President announced that his informal consultations among the members of the Council indicated general agreement that the re-consideration of these applications should be deferred for the moment.

#### 7. *The Greek Question*

By letter dated 3 December 1946, addressed to the Secretary-General (document S/203) the Acting Chairman of the Delegation of Greece requested under Article 34 and 35 (1) of the Charter, that the Security Council give early consideration to a situation which was leading to friction between Greece and her neighbours. A detailed memorandum in support of this request was included.

At its eighty-second meeting on 10 December 1946, the Council placed this question on its Agenda and adopted the following resolution submitted by the Representative of the Netherlands:

##### *"Resolved*

"1. The representatives of Greece and of Yugoslavia are invited to participate in the discussion without vote.

"2. The representatives of Albania and Bulgaria will be invited to enable the Security Council to hear such declaration as they may wish to make.

"3. Should the Security Council find at a later stage that the matter under consideration is a dispute, the representatives of Albania and Bulgaria will be invited to participate in the discussion without vote."

At the Council's eighty-third meeting on 12 December 1946, the representatives of Greece, Yugoslavia, Albania and Bulgaria took their seats at the Council table. The representatives of Greece and Yugoslavia made statements.

### **Statement by International Monetary Fund on Initial Par Values**

[Released to the press by the International Monetary Fund on December 18]

The International Monetary Fund will begin exchange transactions on March 1, 1947. The transactions of the Fund will be at the initial par values which have been determined in the manner laid down in the Fund agreement. The par value

of each currency is stated in the schedule below.<sup>1</sup> Eight of the thirty-nine members of the Fund—Brazil, China, the Dominican Republic, Greece, Poland, Yugoslavia, France in respect of French Indochina, and the Netherlands in respect of the Netherlands Indies—have requested, in accordance with article XX, section 4, of the agreement, more time for the determination of their initial par values and the Fund has agreed. Pending the completion of certain legislative proceedings in Uruguay, the initial par value of its currency has not yet been definitely established.

This is the first time that a large number of nations have submitted their exchange rates to consideration by an international organization, and thus a new phase of international monetary cooperation has begun. The major significance of the present step is not in the particular rates of exchange which are announced, but in the fact that the participating nations have now fully established a regime wherein they are pledged to promote exchange stability, to make no changes in the par values of their currencies except in accordance with the Fund agreement, and to assist each other in attaining the general objectives of the Fund.

The initial par values are, in all cases, those which have been proposed by members, and they are based on existing rates of exchange. The acceptance of these rates is not, however, to be interpreted as a guarantee by the Fund that all the rates will remain unchanged. As the Executive Directors of the Fund stated in their first annual report, issued in September: "We recognize that in some cases the initial par values that are established may later be found incompatible with the maintenance of a balanced international payments position at a high level of domestic economic activity. . . . When this occurs, the Fund will be faced with new problems of adjustment and will have to recognize the unusual circumstances under which the initial par values were determined. It is just at such times that the Fund can be most useful in seeing that necessary exchange adjustments are made in an orderly manner and competitive exchange depreciation is avoided."

<sup>1</sup>Not printed. For the scheduled par values, see International Monetary Fund press release 4 of Dec. 18, 1946. The section from the schedule on U. S. par values is printed below.

The Fund realizes that at the present exchange rates there are substantial disparities in price and wage levels among a number of countries. In present circumstances, however, such disparities do not have the same significance as in normal times. For practically all countries, exports are being limited mainly by difficulties of production or transport, and the wide gaps which exist in some countries between the cost of needed imports and the proceeds of exports would not be appreciably narrowed by changes in their currency parities. In addition, many countries have just begun to recover from the disruption of war, and efforts to restore the productivity of their economies may be expected gradually to bring their cost structures into line with those of other countries. Furthermore, for many countries now concerned with combating inflation there is a danger that a change in the exchange rate would aggravate the internal tendencies toward inflation.

In view of all these considerations, the Fund has reached the conclusion that the proper course of action is to accept as initial par values the existing rates of exchange.

**PAR VALUES FOR U. S. CURRENCY**

The Monetary Fund agreement requires that "the par value of the currency of each member shall be expressed in terms of gold as a common denominator or in terms of the U. S. dollar of the weight and fineness in effect on July 1, 1944." (Art. IV, sec. 1.)

Members have communicated their par values either in terms of gold or of U. S. dollars or both. For convenience, all par values are expressed both in terms of gold and of U. S. dollars in a uniform manner and with six significant figures, i. e., six figures other than initial zeros.

Par values for the United States appear in the schedule as follows:

Country	Currency	Par values in terms of gold		Par values in terms of U.S. dollars	
		Grams of fine gold per currency unit	Currency units per troy ounce of fine gold	Currency units per U. S. dollar	U. S. cents per currency unit
U.S.-----	Dollar-----	0.888 671	35.000 0	1.000 00	100.000

# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## *Calendar of Meetings*<sup>1</sup>

<b>In Session as of December 22, 1946</b>		
Far Eastern Commission. . . . .	Washington . . . . .	Feb. 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	March 25
Military Staff Committee . . . . .	Lake Success . . . . .	March 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
UNRRA - Intergovernmental Committee on Refugees (IGCR), Joint Planning Committee	Washington and Lake Success	July 25
Telecommunications Advisory Committee . . . . .	Lake Success . . . . .	Nov. 10
German External Property Negotiations:		
With Portugal (Safehaven). . . . .	Lisbon . . . . .	Sept. 3
With Spain (Safehaven) . . . . .	Madrid . . . . .	Nov. 12
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	Oct. 24
FAO: Preparatory Commission To Study World Food Board Proposals. . . . .	Washington . . . . .	Oct. 28
Council of Foreign Ministers . . . . .	New York . . . . .	Continuing
Inter-Allied Reparations Agency (IARA): Meetings on Conflicting Custodial Claims	Brussels . . . . .	Nov. 6
PICAO: Rules of the Air and Air Traffic Control Practices Division. . . . .	Montreal . . . . .	Dec. 3
Intergovernmental Committee on Refugees (IGCR): Sixth Plenary Session	London . . . . .	Dec. 16
European Central Inland Transport Organization (ECITO): Sixth Session of the Council	Paris . . . . .	Dec. 18
<b>Scheduled for December 1946 - February 1947</b>		
Meeting of Medical and Statistical Commissions of Inter-American Committee on Social Security	Washington . . . . .	Jan. 6-11
PICAO:		
Divisional		
Personnel Licensing Division . . . . .	Montreal . . . . .	Jan. 7
Aeronautical Maps and Charts Division . . . . .	Montreal . . . . .	Jan. 14
Accident Investigation Division . . . . .	Montreal . . . . .	Feb. 4
Airworthiness Division . . . . .	Montreal . . . . .	Feb. 18
Airline Operating Practices Division . . . . .	Montreal . . . . .	Feb. 25
Regional		
South Pacific Regional Air Navigation Meeting . . . . .	Melbourne. . . . .	Feb. 1
Twelfth Pan American Sanitary Conference . . . . .	Caracas . . . . .	Jan. 12-24
Second Pan American Conference on Sanitary Education . . . . .	Caracas . . . . .	Jan. 12-24

<sup>1</sup> Prepared in the Division of International Conferences, Department of State.

International Wheat Council . . . . .	Washington . . . . .	Jan. 15
United Nations:		
Economic and Social Council (ECOSOC)		
Drafting Committee of International Trade Organization, Preparatory Committee	Lake Success . . . . .	Jan. 20–Feb. 28
Economic and Employment Commission . . . . .	Lake Success . . . . .	Jan. 20–Feb. 5
Social Commission . . . . .	Lake Success . . . . .	Jan. 20–Feb. 5
Subcommission on Economic Reconstruction of Devastated Areas, Working Group for Europe	Geneva . . . . .	Jan. 27–Feb. 13 (tentative)
Human Rights Commission . . . . .	Lake Success . . . . .	Jan. 27–Feb. 11
Statistical Commission . . . . .	Lake Success . . . . .	Jan. 27–Feb. 11
Population Commission . . . . .	Lake Success . . . . .	Feb. 6–20
Commission on the Status of Women . . . . .	Lake Success . . . . .	Feb. 12–27
Subcommission on Economic Reconstruction of Devastated Areas, Working Group for Asia and the Far East	Lake Success . . . . .	Feb. 13–21
Transport and Communications Commission . . . . .	Lake Success . . . . .	Feb. 17–28
Non-governmental Organizations Committee . . . . .	Lake Success . . . . .	Feb. 25–27
ECOSOC, Fourth Session of . . . . .	Lake Success . . . . .	Feb. 28
Regional Advisory Commission for Non-Self-Governing Territories in the South and Southwest Pacific, Conference for the Establishment of	Canberra . . . . .	Jan. 28
ILO Industrial Committee on Petroleum Production and Refining . . . . .	United States . . . . .	Feb. 3–12

*Activities and Developments* »

**MEETING OF COMMISSIONS OF INTER-AMERICAN COMMITTEE ON SOCIAL SECURITY<sup>1</sup>**

The Medical and Statistical Commissions of the Inter-American Committee on Social Security will meet jointly at Washington, beginning January 6, 1947. The purpose of this meeting is to prepare reports on items of the agenda for the forthcoming second meeting of the Inter-American Conference on Social Security, which is scheduled to be held at Rio de Janeiro, Brazil, in April 1947.

These Commissions were created by the Inter-American Committee on Social Security at Mexico City in July 1945 and are technical commissions of that body. The Statistical Commission is composed of representatives from Brazil, Chile, and Canada; and the Medical Commission is com-

<sup>1</sup> Prepared by the Division of International Conferences, Department of State.

posed of representatives from Costa Rica, Ecuador, Mexico, Peru, and the United States. Margaret Klem, Chief of the Medical Economics Section, Division of Health and Disability Studies, Bureau of Research and Statistics, Federal Security Agency, is the United States member of the Medical Commission; and William M. Gafafer, Chief of the Statistical Section, Industrial Hygiene Division, United States Public Health Service, is the American substitute member.

The Inter-American Conference on Social Security held its first meeting at Santiago, Chile, in September 1942, at which time the conference was formally set up with active participation of United States representatives. This body is a permanent inter-American organization in which 22 governments participate. The purpose of the conference is to fill the need for continuous and systematic exchange of technical information on social security.

#### PRINCIPLES FOR JAPANESE TRADE UNIONS:

1. Japanese workers should be encouraged to form themselves into trade unions for the purpose of preserving and improving conditions of work, participating in industrial negotiations to this end, and otherwise assisting the legitimate trade union interests of workers, including organized participation in building up a peaceful and democratic Japan.

2. The right of trade unions and their members to organize for these purposes should be assured and protected by law. The freedom of workers to join trade unions should be provided for by law. All laws and regulations preventing trade unions achieving these objectives should be immediately abrogated. Employers should be forbidden to refuse employment to, or discriminate against, a worker because he is a member of a trade union.

3. Trade unions should have the right of free assembly, speech, and the press, and access to broadcasting facilities on a non-discriminatory basis, provided only that such assembly, speech, or writing does not directly interfere with the interests of the occupation.

4. Trade unions should be encouraged to nego-

tiate with the employers on behalf of their members regarding terms and conditions of employment. The Japanese Government should establish mediation and arbitration machinery for dealing with industrial disputes that cannot be settled by direct and voluntary negotiation between the worker or his representative and the employer. The mediation and arbitration machinery should operate under conditions assuring the protection of the interests of the workers, and if employers are represented on the machinery, trade unions should be given equal representation.

5. Strikes and other work stoppages should be prohibited only when the occupation authorities consider that such stoppages would directly prejudice the objectives or needs of the occupation.

6. Trade unions should be allowed to take part in political activities and to support political parties.

7. Encouragement should be given to organized participation by trade unions and their officials in the democratization process in Japan and in measures taken to achieve the objectives of the occupation, such as the elimination of militaristic and monopolistic practices. But such participation should not be encouraged in such a way as to hinder the achievement of the principal obligation and responsibility of the unions and their officials to organize for the protection of union members and union interests.

8. Trade unions should be encouraged to promote adult education and an understanding of democratic processes and of trade union practices and aims among their members. The Japanese Government should as far as possible assist trade union officials in obtaining information on trade union activities in other countries. These objectives should be given due weight when allocations of paper supplies and imports of foreign publications are made.

9. The Japanese should be free to choose the form of organization of their unions, whether on a craft, industry, company, factory, or territorial basis. Emphasis should be placed on the importance of a solid local basis for future trade union activity in Japan. However, unions should be allowed to form federations or other groupings, for example, in the same area or in related industries or on a nation-wide basis.

10. The formation of trade unions should be a

<sup>1</sup> Adopted at the 36th meeting of the Far Eastern Commission on Dec. 6, 1946 and released to the press on Dec. 18.

## ACTIVITIES AND DEVELOPMENTS

process of democratic self-expression and initiative, proceeding from the workers themselves. Employers should not be allowed to take part in the organization or conduct of unions or to finance them.

11. Trade union officials and standing committees should be elected by the workers concerned by secret ballot and democratic methods. It should be the responsibility of the unions to insure that all officials have been democratically elected at regular stated intervals and that all their activities are democratically conducted.

12. No person who is subject to the purge directive of January 4, 1946 or to subsequent purge directives, should be allowed to hold office in a trade union. All persons who were directly connected in the past in a responsible capacity with the obstruction or repression of trade union organization or activity should be prohibited from employment as union officials, in labor agencies, or as mediators, conciliators, or arbitrators. All persons who held office in government sponsored or controlled trade unions should be subject to screening before being allowed to take office again.

13. Japanese Government and other agencies which were set up or functioned for the purpose of obstructing or in such a way as to obstruct free labor organization and legitimate trade union activities should be abolished or their powers in respect to labor revoked. No police or other government agencies should be employed in spying on workers, breaking strikes, or suppressing legitimate union activities.

14. Any undemocratic workers' organizations or their affiliates, such as the Patriotic Industrial Associations, should be dissolved and not allowed to revive. No new workers' organizations with militaristic, ultra-nationalistic, fascist, or other totalitarian aims should be permitted.

15. Persons who have been imprisoned because of activity or "dangerous thoughts" in connection with trade unions and other labor organizations should be released.

16. The balance sheet and table of income and

expenditure of each trade union, showing also the source of large contributions, should be available for public inspection. Safeguards such as annual audit by a professionally competent auditor appointed by the members should be taken to insure the accuracy of these statements.

### **INTERIM REPARATIONS REMOVALS: TEMPORARY RETENTION OF ELECTRIC STEEL FURNACES<sup>1</sup>**

In view of the current coal shortage in Japan, electric steel furnaces in excess of the 100,000 metric tons annual capacity referred to in FEC-059/13,<sup>2</sup> together with the rolling-mill capacity integrated with such electric furnaces, may be retained in Japan up to June 30, 1947 to a maximum of an additional 300,000 metric tons annual capacity.

If before June 30, 1947 it should be the opinion of the Supreme Commander for the Allied Powers that, in order to meet the needs of the occupation, an extension of the period is necessary, he should furnish the Far Eastern Commission with a statement of his reasons so that a review of the position may be made.

The above policy should not postpone the designation of these facilities under the interim reparations removal program.

### **INTERIM REPARATIONS REMOVALS: STEEL-ROLLING INDUSTRY<sup>1</sup>**

(Definition: Plants and establishments engaged in producing basic steel shapes, such as rails, rods, bars, tubes, plates, strips, sheets, and structural shapes, by rolling, drawing, and extruding steel ingots.)

That portion of Japan's steel-rolling capacity in excess of that required to produce a balanced annual output of 2,775,000 metric tons of rolled steel products should be made immediately available as reparations.

<sup>1</sup> Adopted at the 36th meeting of the Far Eastern Commission on Dec. 6, 1946 and released to the press on Dec. 18.

<sup>2</sup> BULLETIN of June 23, 1946, p. 1074.

## THE RECORD OF THE WEEK

### United States Policy Toward China

#### STATEMENT BY THE PRESIDENT

[Released to the press by the White House December 18]

Last December I made a statement of this Government's views regarding China.<sup>1</sup> We believed then, and do now, that a united and democratic China is of the utmost importance to world peace, that a broadening of the base of the National Government to make it representative of the Chinese people will further China's progress toward this goal, and that China has a clear responsibility to the other United Nations to eliminate armed conflict within its territory as constituting a threat to world stability and peace. It was made clear at Moscow last year that these views are shared by our Allies, Great Britain and the Soviet Union. On December 27, Mr. Byrnes, Mr. Molotov, and Mr. Bevin issued a statement which said, in part:

"The three Foreign Secretaries exchanged views with regard to the situation in China. They were in agreement as to the need for a unified and democratic China under the National Government, for broad participation by democratic elements in all branches of the National Government, and for a cessation of civil strife. They affirmed their adherence to the policy of non-interference in the internal affairs of China."<sup>2</sup>

The policies of this Government were also made clear in my statement of last December. We recognized the National Government of the Republic of China as the legal government. We undertook to assist the Chinese Government in reoccupation of liberated areas and in disarming and repatriating the Japanese invaders. And finally, as China moved toward peace and unity along the lines mentioned, we were prepared to assist the Chinese economically and in other ways.

I asked General Marshall to go to China as my representative. We had agreed upon my statement of the United States Government's views and policies regarding China as his directive. He knew full well in undertaking the mission that halting civil strife, broadening the base of the Chinese Government, and bringing about a united, democratic China were tasks for the Chinese themselves. He went as a great American to make his outstanding abilities available to the Chinese.

During the war the United States entered into an agreement with the Chinese Government regarding the training and equipment of a special force of 39 divisions. That training ended V-J Day and the transfer of the equipment had been largely completed when General Marshall arrived.

The United States, the United Kingdom, and the Union of Soviet Socialist Republics all committed

<sup>1</sup> BULLETIN of Dec. 16, 1945, p. 945.

<sup>2</sup> BULLETIN of Dec. 30, 1945, p. 1030.

themselves to the liberation of China, including the return of Manchuria to Chinese control. Our Government had agreed to assist the Chinese Government in the reoccupation of areas liberated from the Japanese, including Manchuria, because of China's lack of shipping and transport planes. Three armies were moved by air and eleven by sea to central China, Formosa, north China, and Manchuria. Most of these moves had been made or started when General Marshall arrived.

The disarming and evacuation of Japanese progressed slowly—too slowly. We regarded our commitment to assist the Chinese in this program as of overwhelming importance to the future peace of China and the whole Far East. Surrendered but undefeated Japanese armies and hordes of administrators, technicians, and Japanese merchants, totalling about 3,000,000 persons, had to be removed under the most difficult conditions. At the request of the Chinese Government we had retained a considerable number of American troops in China, and immediately after V-J Day we landed a corps of Marines in north China. The principal task of these forces was to assist in the evacuation of Japanese. Only some 200,000 had been returned to Japan by the time General Marshall arrived.

General Marshall also faced a most unpropitious internal situation on his arrival in China. Communications throughout the country were badly disrupted due to destruction during the war and the civil conflicts which had broken out since. This disruption was preventing the restoration of Chinese economy, the distribution of relief supplies, and was rendering the evacuation of Japanese a slow and difficult process. The wartime destruction of factories and plants, the war-induced inflation in China, the Japanese action in shutting down the economy of occupied China immediately after V-J Day, and finally the destruction of communications combined to paralyze the economic life of the country, spreading untold hardship to millions, robbing the victory over the Japanese of significance to most Chinese, and seriously aggravating all the tensions and discontents that existed in China.

Progress toward solution of China's internal difficulties by the Chinese themselves was essential to the rapid and effective completion of most of the

programs in which we had already pledged our assistance to the Chinese Government. General Marshall's experience and wisdom were available to the Chinese in their efforts to reach such solutions.

Events moved rapidly upon General Marshall's arrival. With all parties availing themselves of his impartial advice, agreement for a country-wide truce was reached and announced on January 10th. A feature of this agreement was the establishment of a unique organization—the Executive Headquarters in Peiping. It was realized that due to poor communications and the bitter feelings on local fronts, generalized orders to cease fire and withdraw might have little chance of being carried out unless some authoritative executive agency, trusted by both sides, could function in any local situation.

The headquarters operated under the leaders of three commissioners—one American who served as chairman, one Chinese Government representative, and one representative of the Chinese Communist Party. Walter S. Robertson, Chargé d'Affaires of the American Embassy in China, served as chairman until his return to this country in the fall. In order to carry out its function in the field, Executive Headquarters formed a large number of truce teams, each headed by one American officer, one Chinese Government officer, and one Chinese Communist officer.<sup>1</sup> They proceeded to all danger spots where fighting was going on or seemed impending and saw to the implementation of the truce terms, often under conditions imposing exceptional hardships and requiring courageous action. The degree of cooperation attained between Government and Communist officers in the headquarters and on the truce teams was a welcome proof that, despite two decades of fighting, these two Chinese groups could work together.

Events moved forward with equal promise on the political front. On January 10, the Political Consultative Conference began its sessions with representatives of the Kuomintang or Government Party, the Communist Party and several minor political parties participating. Within three weeks of direct discussion these groups had come to a series of statesmanlike agreements on

<sup>1</sup> BULLETIN of Mar. 24, 1946, p. 484.

outstanding political and military problems. The agreements provided for an interim government of a coalition type with representation of all parties, for revision of the draft constitution along democratic lines prior to its discussion and adoption by a national assembly, and for reduction of the Government and Communist armies and their eventual amalgamation into a small, modernized, truly national army, responsible to a civilian government.

In March General Marshall returned to this country. He reported on the important step the Chinese had made toward peace and unity in arriving at these agreements.<sup>1</sup> He also pointed out that these agreements could not be satisfactorily implemented and given substance unless China's economic disintegration were checked and particularly unless the transportation system could be put in working order. Political unity could not be built on economic chaos. This Government had already authorized certain minor credits to the Chinese Government in an effort to meet emergency rehabilitation needs as it was doing for other war devastated countries throughout the world. A total of approximately \$66,000,000 was involved in six specific projects, chiefly for the purchase of raw cotton, and for ships and railroad repair material. But these emergency measures were inadequate. Following the important forward step made by the Chinese in the agreements as reported by General Marshall, the Export-Import Bank earmarked a total of \$500,000,000 for possible additional credits on a project by project basis to Chinese Government agencies and private enterprises. Agreement to extend actual credits for such projects would obviously have to be based upon this Government's policy as announced December 15, 1945. So far, this \$500,000,000 remains earmarked, but unexpended.

While comprehensive large-scale aid has been delayed, this Government has completed its wartime lend-lease commitments to China. Lend-lease assistance was extended to China to assist her in fighting the Japanese, and later to fulfil our promise to assist in reoccupying the country from the Japanese. Assistance took the form of goods and equipment and of services. Almost half the

total made available to China consisted of services, such as those involved in air- and water-transportation of troops. According to the latest figures reported, lend-lease assistance to China up to V-J Day totaled approximately \$870,000,000. From V-J Day to the end of February, shortly after General Marshall's arrival, the total was approximately \$600,000,000—mostly in transportation costs. Thereafter, the program was reduced to the fulfilment of outstanding commitments, much of which was later suspended.

A considerable quantity of civilian goods has also been made available by our agreement with China for the disposal of surplus property which enabled us to liquidate a sizable indebtedness and to dispose of large quantities of surplus material. During the war the Chinese Government furnished Chinese currency to the United States Army for use in building its installations, feeding the troops, and other expenses. By the end of the war this indebtedness amounted to something like 150,000,000,000 Chinese dollars. Progressive currency inflation in China rendered it impossible to determine the exact value of the sum in United States currency.

China agreed to buy all surplus property owned by the United States in China and on seventeen Pacific Islands and bases with certain exceptions. Six months of negotiations preceded the agreement finally signed in August.<sup>2</sup> It was imperative that this matter be concluded in the Pacific as had already been done in Europe, especially in view of the rapid deterioration of the material in open storage under tropical conditions, and the urgent need for the partial alleviation of the acute economic distress of the Chinese people, which it was hoped this transaction would permit. Aircraft, all non-demilitarized combat material, and fixed installations outside of China were excluded. Thus, no weapons which could be used in fighting a civil war were made available through this agreement.

The Chinese Government canceled all but 30,000,000 United States dollars of our indebtedness for the Chinese currency, and promised to make available the equivalent of 35,000,000 United States dollars for use in paying United States governmental expenses in China and acquiring and improving buildings and properties for our diplo-

<sup>1</sup> BULLETIN of Mar. 24, 1946, p. 484.

<sup>2</sup> BULLETIN of Sept. 22, 1946, p. 548.

matic and consular establishments. An additional sum of 20,000,000 United States dollars is also designated for the fulfilment of a cultural and educational program.

Before General Marshall arrived in China for the second time, in April, there was evidence that the truce agreement was being disregarded. The sincere and unflagging efforts of Executive Headquarters and its truce teams have succeeded in many instances in preventing or ending local engagements, and thus saved thousands of lives. But fresh outbreaks of civil strife continued to occur, reaching a crisis of violence in Manchuria, with the capture of Changchun by the Communists, and where the presence of truce teams had not been fully agreed to by the National Government.

A change in the course of events in the political field was equally disappointing. Negotiations between the Government and the Communists have been resumed again and again, but they have as often broken down. Although hope for final success has never disappeared completely, the agreements made in January and February have not been implemented, and the various Chinese groups have not since that time been able to achieve the degree of agreement reached at the Political Consultative Conference.

There has been encouraging progress in other fields, particularly the elimination of Japanese from China. The Chinese Government was responsible under an Allied agreement for the disarmament of all Japanese military personnel and for the repatriation of all Japanese civilians and military personnel from China, Formosa, and French Indo-China north of the sixteenth degree of latitude. Our Government agreed to assist the Chinese in this task. The scope of the job was tremendous. There were about 3,000,000 Japanese, nearly one half of them Army or Navy personnel, to be evacuated. Water and rail transportation had been destroyed or was immobilized. Port facilities were badly damaged and overcrowded with relief and other supplies. The Japanese had to be disarmed, concentrated, and then transported to the nearest available port. In some instances this involved long distances. At the ports they had to be individually searched and put through a health inspection. All had to be inoculated. Segregation camps had to be estab-

lished at the ports to cope with the incidence of epidemic diseases such as Asiatic cholera. Finally, 3,000,000 persons had to be moved by ship to Japan.

American forces helped in the disarmament of Japanese units. Executive Headquarters and its truce teams were able to make the complicated arrangements necessary to transfer Japanese across lines and through areas involved in civil conflict on their way to ports of embarkation. American units also participated in the inspections at the port, while American medical units supervised all inoculation and other medical work. Finally, American and Japanese ships under the control of General MacArthur in Japan, and a number of United States Navy ships under the Seventh Fleet transported this enormous number of persons to reception ports in Japan.

At the end of last year, approximately 200,000 Japanese had been repatriated. They were leaving Chinese ports at a rate of about 2,500 a day. By March of this year, rapidly increased efforts on the part of the American forces and the Chinese authorities involved had increased this rate to more than 20,000 a day. By November, 2,986,438 Japanese had been evacuated and the program was considered completed. Except for indeterminate numbers in certain parts of Manchuria, only war criminals and technicians retained on an emergency basis by the Chinese Government remain. That this tremendous undertaking has been accomplished despite conflict, disrupted communications, and other difficulties will remain an outstanding example of successful American-Chinese cooperation toward a common goal.

Much has been said of the presence of United States armed forces in China during the past year. Last fall these forces were relatively large. They had to be. No one could prophesy in advance how well the Japanese forces in China would observe the surrender terms. We had to provide forces adequate to assist the Chinese in the event of trouble. When it became obvious that the armed Japanese would not be a problem beyond the capabilities of the Chinese Armies to handle, re-deployment was begun at once.

The chief responsibility of our forces was that of assisting in evacuation of Japanese. This task was prolonged by local circumstances. Provision of American personnel for the Executive Head-

quarters and its truce teams has required a fairly large number of men, particularly since the all important network of radio and other communications was provided entirely by the United States. The Executive Headquarters is located at Peiping, a hundred miles from the sea, and in an area where there was the possibility of local fighting. Hence, another responsibility was to protect the line of supply to and from headquarters. Another duty our forces undertook immediately upon the Japanese surrender was to provide the necessary protection so that coal from the great mines northeast of Tientsin could reach the sea for shipment to supply the cities and railroads of central China. This coal was essential to prevent the collapse of this industrial area. Our Marines were withdrawn from this duty last September. Other units of our forces were engaged in searching for the bodies or graves of American soldiers who had died fighting the Japanese in China. Still others were required to guard United States installations and stores of equipment, and to process these for return to this country or sale as surplus property.

At peak strength a year ago we had some 113,000 soldiers, sailors, and marines in China. Today this number is being reduced to less than 12,000, including some 2,000 directly concerned with the operations of Executive Headquarters, and will be further reduced to the number required to supply and secure the American personnel of Executive Headquarters and the air field and stores at Tsingtao.

Thus during the past year we have successfully assisted in the repatriation of the Japanese and have subsequently been able to bring most of our own troops home. We have afforded appropriate assistance in the reoccupation of the country from the Japanese. We have undertaken some emergency measures of economic assistance to prevent the collapse of China's economy and have liquidated our own wartime financial account with China.

It is a matter of deep regret that China has not yet been able to achieve unity by peaceful methods. Because he knows how serious the problem is, and how important it is to reach a solution, General Marshall has remained at his post even though active negotiations have been broken

off by the Communist Party. We are ready to help China as she moves toward peace and genuine democratic government.

The views expressed a year ago by this Government are valid today. The plan for political unification agreed to last February is sound. The plan for military unification of last February has been made difficult of implementation by the progress of the fighting since last April, but the general principles involved are fundamentally sound.

China is a sovereign nation. We recognize that fact and we recognize the National Government of China. We continue to hope that the Government will find a peaceful solution. We are pledged not to interfere in the internal affairs of China. Our position is clear. While avoiding involvement in their civil strife, we will persevere with our policy of helping the Chinese people to bring about peace and economic recovery in their country.

As ways and means are presented for constructive aid to China, we will give them careful and sympathetic consideration. An example of such aid is the recent agricultural mission to China under Dean Hutchison of the University of California, sent at the request of the Chinese Government. A joint Chinese-American agricultural collaboration commission was formed which included the Hutchison mission.<sup>1</sup> It spent over four months studying rural problems. Its recommendations are now available to the Chinese Government, and so also is any feasible aid we can give in implementing those recommendations. When conditions in China improve, we are prepared to consider aid in carrying out other projects, unrelated to civil strife, which would encourage economic reconstruction and reform in China and which, in so doing, would promote a general revival of commercial relations between American and Chinese businessmen.

We believe that our hopes for China are identical with what the Chinese people themselves most earnestly desire. We shall therefore continue our positive and realistic policy toward China, which is based on full respect for her national sovereignty and on our traditional friendship for the Chinese people, and is designed to promote international peace.

<sup>1</sup> BULLETIN of June 16, 1946, p. 1054.

# Provisions for Immigration of Refugees and Displaced Persons

## STATEMENT BY THE PRESIDENT

[Released to the press by the White House December 19]

During the Christmas season a year ago, on December 22, 1945, I issued a directive to a number of Executive agencies designed to facilitate the immigration of refugees and displaced persons up to the full limit provided by the immigration law.<sup>1</sup>

Up to October 21, 1946, only 4,767 persons were provided for under these arrangements. At the present time, foreseeable sailings in 1946 will provide for only 683 more persons.

These delays have caused a serious situation among displaced persons who hold immigration visas for the United States and are waiting for shipping. At Bremerhaven, for example, 2,100 persons, including 177 orphaned children, are crowded into an embarkation center designed to accommodate only transients.

Mindful of the bleak Christmas ahead for these people who have already suffered so much, I have taken up this matter with the Maritime Commission and can hold out hope of early improvement.

The S.S. *Ernie Pyle* will sail from New York on December 20 and will arrive in Bremerhaven on New Year's Day. The S.S. *Marine Marlin* will sail from New York on December 27 and will arrive in Bremerhaven on January 6, 1947. The S.S. *Marine Flasher* will arrive in Bremerhaven on January 8.

In addition, the S.S. *Marine Falcon*, now in the Pacific, will arrive in Bremerhaven during the latter part of January.

Each of these vessels has facilities to transport approximately 900 passengers. They will be kept in this service until the situation has been fully relieved.

## U. S. Position on Economic Rehabilitation of Germany

### COMMENTS ON ADDRESS BY NETHERLANDS OFFICIAL<sup>2</sup>

[Released to the press December 13]

The problems of economic recovery in the liberated countries of Europe, including the Netherlands, are extremely difficult, and the United States is deeply aware of these problems and anxious to make what contribution it can to their solution. In particular, it is recognized that the economic relations between these countries and Germany present many and complex problems owing to the present status of Germany as an occupied country, to the depressed state of the German economy, and to the conflicting requirements of Germany and the liberated countries.

With Dr. van Kleffens' remarks to the effect that it would be iniquitous to help Germany to her feet while the Netherlands, Belgium, and Luxembourg are "left to languish in economic prostrations and semi-poverty", there can be no disagreement. It

has always been the policy of the United States that economic recovery in liberated countries should proceed at a more rapid rate than German recovery. But we find it difficult to reconcile these remarks with some of Dr. van Kleffens' specific complaints. The inability of Germany to supply materials required by the Dutch economy, or to import Dutch agricultural products and waterway services, is the consequence of the depressed state of the German economy. The United States will never countenance a policy of

<sup>1</sup> BULLETIN of Dec. 23, 1945, p. 983.

<sup>2</sup> Dr. E. N. van Kleffens, Netherlands Representative on the Security Council of the United Nations. Dr. van Kleffens' address was delivered before the Netherlands Chamber of Commerce in New York, N. Y., on Dec. 12, 1946.

reviving Germany at the expense of liberated countries. But a certain measure of German recovery is essential to the continued recovery of her neighbors, and certain of the difficulties to which Dr. van Kleffens refers can be removed only as German recovery progresses.

As regards Dr. van Kleffens' specific complaints, the following comments are made:

1. Dr. van Kleffens complains that Netherlands nationals owning factories in Germany cannot visit their factories. This subject was discussed by the Department of State with Netherlands officials several months ago. Agreement was reached at that time that the opportunity for such visits should be afforded to Netherlands citizens, and that the Netherlands Government would make detailed arrangements with the United States occupation authorities. Dr. van Kleffens' remarks provide the first indication we have received that the outcome was unsatisfactory to the Netherlands Government.

2. Dr. van Kleffens complains that Dutch manufacturers desiring to purchase raw and semi-finished products and equipment in Germany cannot get in touch with their German suppliers.

The real difficulty in this case is the small quantity of such material available for export from Germany. Until recently, it would have been useless to permit importers to visit Germany when there was little to purchase. As part of their current program for reviving exports, the American occupation authorities now permit businessmen wishing to purchase products known to be available for export to visit the United States zone of occupation. This privilege is extended to Dutch businessmen.

3. The United States is fully aware of the need to produce in Germany replacement parts and machines for the equipment in many countries of Europe originally manufactured in Germany. In order to reduce the burden of supporting Germany we obviously must increase German exports of these products greatly. We have been limited in the past year by the lack of fuel and raw materials in Germany and by the urgent necessity of retaining the small German production in Germany to avoid collapse. The necessity, which we recognize as just, to export German coal to Western Europe, including the Netherlands, has also de-

prived German industry of coal which it could have used urgently.

The Netherlands has a military mission in Berlin which has had frequent contact with the United States authorities in Germany. OMGUS sent a trade mission to The Hague which had detailed and, we are told, satisfactory discussions with Netherlands officials. Our efforts to satisfy Netherlands needs have been limited not by our unwillingness but by the lack of goods for export. We expect that the economic fusion authorities of the United States and British zones in Germany will have detailed discussions with the Netherlands and other nations interested in supplying German import needs and purchasing German goods. It is probable that the military missions in Berlin will be supplemented by trade missions in Minden, the seat of the Bizonal Economic Office, as well as by discussions within the Emergency Economic Committee for Europe and its successor organizations under the United Nations, when that agency, the Economic Commission for Europe, is created.

4. As regards the Dutch surplus of agricultural products, American authorities are cognizant of the desire of the Dutch Government to dispose of fruits and vegetables to Germany. The Dutch Government has been informed that, so long as the occupying powers must bear the cost of the German trade deficit, German imports of food will be confined to such relatively low-cost products as wheat. Under present conditions, the German population cannot afford to import the more expensive foods, such as the Netherlands can supply. To provide them would only mean to increase the cost of occupation to the United States taxpayer.

5. The United States understands the concern of the Netherlands in the revival of Rhine traffic and in the employment of Rotterdam as a port of transit for German imports and exports. The United States must, however, keep in mind its obligations to Congress and the people of the United States to keep the financial burden of the occupation of Germany to a minimum by limiting the cost of imports for Germany. This requires that no goods or services be imported into Germany which can be provided by the German economy. Inevitably this limitation is felt in the case of transport services by shipping on the Rhine. In order to meet the interests of the Netherlands, which formerly handled much German cargo on

the Rhine between Rotterdam and German Rhine ports and on the German Rhine, the United States has offered to meet with the Netherlands to discuss means by which import cargo destined for Germany can be transported via Netherlands ports and the Rhine, so long as no additional dollar cost to the United States is involved. The Netherlands Government has stated informally that they believe it will be possible to do this and a meeting will soon take place between officers of OMGUS and representatives of the Netherlands.

The Netherlands also seeks a greater share of German internal shipping traffic on the Rhine. At present the United States has not yet seen how the Netherlands requests can be met without financial expense to the United States in importing services which the German Rhine fleet can perform. It has requested an outline of suggestions from the Netherlands and hopes to discuss the matter with that country, bearing in mind the necessity for avoiding an unjustified expenditure of United States funds.

Finally the Netherlands desires a larger voice in the control and management of the German Rhine and its shipping facilities. This question is one for the Council of Foreign Ministers, which has already agreed to set up machinery to hear in London in January of next year the views of Germany's neighbors on the peace settlement regarding the future of Germany.

6. As to the willingness of the Netherlands to assist in financing trade with Germany, the United States is gratified at Dr. van Kleffens' statement. A Dutch proposal on this subject is now receiving careful study by the Department. This proposal, which is the first indication we have received of Dutch readiness to aid in the difficult financing problem, was received only last week.

## **Ambassador Murphy Named U.S. Deputy for Germany**

[Released to the press December 20]

Ambassador Robert D. Murphy, United States Political Adviser to the Commanding General in Germany, has been named United States Deputy for Germany for the session of the deputies which will convene in London on January 14, 1947.

## **General Clark Named U.S. Deputy for Austria**

[Released to the press December 21]

Lt. Gen. Mark W. Clark, United States High Commissioner and United States Commanding General in Austria, has been named United States Deputy for Austria for the session of the deputies which will convene in London on January 14, 1947.

## **Quadripartite Tin Negotiations Concluded**

[Released to the press December 10]

The Government of the United States has concluded quadripartite negotiations with the United Kingdom, Australia, and Siam for the procurement of Siamese tin, the Department of State announced on December 10.

The conclusions specify four major provisions for stimulating the flow of Siamese tin into world consumption and for alleviating the world tin shortage.

The provisions are as follows:

A four-member commission will be named to aid the movement of stocks of Siamese tin metal and tin concentrates into world trade channels.

Siamese tin metal will be shipped in compliance with the Combined Tin Committee allocations. The United States has been allocated 2,000 tons of tin metal for 1946 and will probably secure additional substantial quantities in 1947.

Siamese stocks of tin concentrates and new production of concentrates to March 31, 1947, will be purchased in equal amounts by the United States and the United Kingdom.

Prices paid for Siamese tin will be on a basis equivalent to prices in Malaya (370 pounds sterling per long ton of tin).

Siamese tin stocks accumulated during the late war are estimated at approximately 15,000 tons of tin content. Pre-war Siamese tin production was roughly 10 percent of the world supply, but current production is small pending resumption of war-interrupted operations by foreign-owned mining companies.

# Appointment of Members and Alternate Member of a Military Tribunal Established for the Trial and Punishment of Major War Criminals in Germany<sup>1</sup>

[Released to the press by the White House November 21]

By virtue of the authority vested in me by the Constitution and the statutes, and as President of the United States and Commander in Chief of the Army and Navy of the United States, and in the interest of the military and foreign affairs functions of the United States, it is ordered as follows:

1. I hereby designate Walter B. Beals, Chief Justice of the Supreme Court of the State of Washington, Harold L. Sebring, Associate Justice of the Supreme Court of the State of Florida, Johnson Tal Crawford, Judge of a District Court of the State of Oklahoma, as the Members, and Victor C. Swearingen, former Special Assistant to the Attorney General, as the Alternate Member, of one of the several military tribunals established by the Military Governor for the United States Zone of Occupation within Germany pursuant to the quadripartite agreement of the Control Council for Germany, enacted December 20, 1945, as Control Council Law No. 10,<sup>2</sup> and pursuant to Articles 10 and 11 of the Charter of the International Military Tribunal, which Tribunal was established by the Government of the United States of America, the Provisional Government of the French Republic, the Government of the United Kingdom of Great Britain and Northern Ireland, and the Government of the Union of Soviet Socialist Republics, for the trial and punishment of major war criminals of the European Axis. Such members and alternate member may, at the direction of the Military Governor of the United States Zone of Occupation, serve on any of the several military tribunals above mentioned.

2. The Members and the Alternate Member herein designated shall receive such compensation and allowances for expenses as may be determined by the Secretary of War and as may be payable from appropriations or funds available to the War Department for such purposes.

3. The Secretary of State, the Secretary of War, the Attorney General, and the Secretary of the

Navy are authorized to provide appropriate assistance to the Members and the Alternate Member herein designated in the performance of their duties and may assign or detail such personnel under their respective jurisdiction, including members of the armed forces, as may be requested for the purpose. Personnel so assigned or detailed shall receive such compensation and allowances for expenses as may be determined by the Secretary of War and as may be payable from appropriations or funds available to the War Department for such purposes.

HARRY S. TRUMAN

## Tax Convention With France

The Department released on December 21 the English language text of the convention between the United States and France for the avoidance of double taxation and the prevention of fiscal evasion in the case of taxes on estates and inheritances, and for the purpose of modifying and supplementing certain provisions of the convention of July 25, 1939 relating to income taxation which was signed at Paris on October 18, 1946, and of which the original document was recently received from the American Embassy in Paris.<sup>3</sup>

## New Shortwave Relay Point for American Radio in Germany

[Released to the press December 16]

On December 16 the Department of State announced the opening on Sunday, December 15, at Munich, Germany, of a new shortwave-radio relay point in its "Voice of the United States of America" network.

Programs which originate at the OIC office in New York City will be relayed daily over the three Munich transmitters by shortwave from 11 a.m. to 4:30 p.m., E.S.T., which is top evening-listening time in the various European areas. They will be beamed simultaneously to Austria, Bulgaria, Czechoslovakia, France, Hungary, Poland, Rumania, and Yugoslavia. Some programs in English also will be carried on this relay.

<sup>1</sup> Executive Order 9813 (11 *Federal Register* 14607).

<sup>2</sup> BULLETIN of Nov. 10, 1946, p. 862.

<sup>3</sup> For text of the convention, see Department of State press release 922 of Dec. 21, 1946.

Consideration is now being given to the possibility of broadcasts to other countries in Europe, including Soviet Russia, from these transmitters.

The three shortwave transmitters, each of approximately 85,000-watts power, which make up the new Munich relay, are part of the former *Reichspost* radio plant at Munich. Part of these facilities are being used by the Armed Forces Network for troop-entertainment programs in that area. Use of the facilities for the "Voice of the United States of America" was obtained by the International Broadcasting Division of the State Department through cooperation with the United States Military Government in Germany.

Late in September, Kenneth D. Fry, Chief of the International Broadcasting Division, sent to Europe a three-man team composed of Edward Kerrigan, formerly with Press-Wireless; John Herrick, chief engineer of IBD in New York; and John Walsh, administrative officer, who has been in the field for the State Department. This team effected the plans with the occupation authorities for opening the new relay station. They expedited acquisition of the facilities and pushed through the repair work necessary to get the transmitters in operation at the earliest possible moment.

### **Convention for Industrial Property Protection Applied to Western Samoa**

#### *New Zealand*

The Swiss Legation informed the Department of State by a note dated October 31, 1946 that, according to a communication dated September 16, 1946 from the British Legation in Switzerland, the adherence of New Zealand<sup>1</sup> to the international convention for the protection of industrial property, signed at London on June 2, 1934,<sup>2</sup> also applies to Western Samoa.

### **U.S. Interest in Netherlands Agreement With Indonesia**

[Released to the press December 17]

The United States Government has received with gratification the news that the Netherlands Government has authorized its Commission General to sign the agreement negotiated by Dutch and Indonesian representatives and initialed on November 15 at Cheribon, Java. It is the hope of this Government that the basic principles of this

agreement will enable the Dutch and Indonesian people to work together with dignity and in mutual respect for their common welfare and for the prosperity and stability of Southeast Asia.

The evidence of high statesmanship displayed by both Dutch and Indonesian delegations in negotiating the settlement gives promise that the agreement will be implemented with continuing regard for the welfare of the peoples concerned.

The United States Government will watch with close interest the measures undertaken to make this agreement effective and the progress toward the political stabilization and economic rehabilitation of the Indies which we hope will result therefrom.

### **Negotiations on Elimination of Tariff Preferences**

[Released to the press December 19]

This Government's negotiations next spring with 18 other countries for reciprocal reduction of tariff and other trade barriers will include negotiations directed toward elimination of tariff preferences now in effect between the United States and Cuba as well as preferences in effect among British Empire countries and between other countries.

The existing trade agreement between the United States and Cuba not only provides for specified preferential treatment of products enumerated in the schedules of the agreement but also provides generally that each country will accord preferential treatment to any other products imported from the other country. Tariff preferences accorded under both provisions will come within the scope of the forthcoming negotiations, regardless of whether or not the products concerned are included in the list of products, made public on November 9, 1946,<sup>3</sup> on which the United States will consider granting tariff concessions in the forthcoming negotiations. No United States tariff reductions will be made, however, on any commodity not appearing on a public list.

<sup>1</sup> BULLETIN of Sept. 22, 1946, p. 552.

<sup>2</sup> Treaty Series 941.

<sup>3</sup> Printed in Department of State publication 2672, Commercial Policy Series 96. Refer also to *Schedule A—Statistical Classification of Imports Into the United States*, U. S. Department of Commerce, Sept. 1, 1946.

## Visit of Greek Prime Minister

His Excellency Constantine Tsaldaris, Prime Minister of Greece, and Madame Tsaldaris arrived in Washington on Thursday, December 19, and stayed at the Blair House as guests of the Government until Sunday, December 22.

## Air-Transport Agreement With Uruguay

A bilateral air-transport agreement between the United States and Uruguay was signed on December 14, 1946 in Montevideo, the Department of State announced on December 16.<sup>1</sup> The agreement is based on the standard form drawn up at the Chicago aviation conference in 1944 and also includes pertinent provisions from the so-called "Bermuda agreement" signed in February 1946 between the United States and the United Kingdom.<sup>2</sup>

Pan American Airways System and Pan American-Grace Airways are the two certificated United States airlines which will serve Montevideo under the new arrangement.

Assisting the American Embassy in the negotiations were William Mitchell, personal representative of the President with the rank of Minister, and John O. Bell, Assistant Chief of the Department of State's Aviation Division. The agreement was signed for the United States by American Ambassador Joseph F. McGurk and Mr. Mitchell. The Uruguayan Foreign Minister, Eduardo Rodriguez Larreta, signed for Uruguay.

The following routes are designated in section II of the annex to the agreement:

A. Airlines of the United States of America, designated under the present agreement, are accorded rights of transit and nontraffic stop in the territory of the Oriental Republic of Uruguay, as well as the right to pick up and discharge international traffic in passengers, cargo, and mail at Montevideo on the following routes via intermediate points in both directions:

1. The United States via the east coast of South America to Montevideo and beyond.
2. The United States and/or the Panama Canal

Zone and the west coast of South America to Montevideo.

On each of the above routes the airline or airlines designated to operate such route may operate nonstop flights between any of the points on such route omitting stops at one or more of the other points on such route.

## Specialist in Veterinary Medicine To Lecture in Uruguay

Dr. Frederick McKenzie, professor of animal husbandry at Oregon State College and former specialist in animal husbandry in the Department of Agriculture, will give a short course of lectures in Uruguay on fertility and breeding efficiency in livestock, and on artificial insemination. During December 1946 he will lecture at the Rural Society, the College of Veterinary Medicine, and the National University, Montevideo, Uruguay. He has received a travel grant under the program administered by the Department of State for the exchange of professors and technical experts between this country and the other American republics during the current fiscal year.

## Grants to U.S. Citizens for Study in Other American Republics

[Released to the press December 10]

The Department of State announces a limited number of travel and maintenance grants to assist United States graduate students to undertake academic studies or research in the other American republics. The Department has the cooperation of the United States Office of Education and the Institute of International Education in the administration of this program.

The grants will be awarded to qualified candidates to supplement personal funds or funds they may expect to receive through fellowships or other assistance from universities, research councils, or other qualified organizations. The grants will provide travel or maintenance, or both, in accordance with the individual needs of the students and estimates of the cost of living in the countries in which study is to be undertaken.

Candidates must hold a bachelor's degree or its equivalent and must be engaged in or recently have completed graduate study. They must also have a good working knowledge of the language of the country in which study is to be undertaken. Proj-

<sup>1</sup> For text of agreement, see Department of State press release 910 of Dec. 16, 1946.

<sup>2</sup> BULLETIN of Apr. 7, 1946, p. 584.

ects will be considered with reference to their usefulness in the development of broader understanding between the United States and the other American republics as well as on the basis of their technical merit, and should be sponsored by appropriate university or college authorities. Other things being equal, preference will be given to honorably discharged veterans of World War II who meet the above qualifications. Although no age limit has been set, the probability is that persons over 35 will have less chance of being selected.

Successful candidates will be expected to remain in residence for the purpose of study or research for at least six months. Grants will be valid for a minimum of six months and a maximum of one year. Under exceptional circumstances grants may be renewed, provided funds are available.

Application blanks may be obtained from the American Republics Section, Division of International Educational Relations, United States Office of Education, Federal Security Agency, Washington 25, D.C., and should be returned to that Office not later than March 1, 1947. It is hoped that announcement of recipients of grants can be made by May 1, 1947.

## **U.S. - Philippine Trade Agreement Amended**

It was announced on December 18 that an agreement between the United States and the Republic of the Philippines concerning trade and related matters and an amendatory exchange of notes were proclaimed by President Truman on December 17, 1946.<sup>1</sup> In accordance with its terms, the agreement will become effective the day after its proclamation by the President of the Republic of the Philippines.

The agreement is based on the Philippine Trade Act of 1946 (Public Law 371, 79th Congress). It was signed at Manila on July 4, 1946 by President Roxas and Ambassador McNutt.

The agreement provides, among other things, for free trade between the United States and the Philippines during a period of 8 years from July 4, 1946, and for a subsequent 20-year period of declining customs preferences, during which rates of United States and Philippine duties will be gradually increased until the preferences are eliminated and full duties applied by each country

at the end of this period. It establishes, for the duration of the agreement, import quotas on certain Philippine products entering the United States.

The principal purpose of these provisions is to facilitate rehabilitation of the war-ravished Philippine economy and to make possible an orderly readjustment of trade relations between the United States and the new Republic of the Philippines.

## **Allocation of Funds Under Philippine Rehabilitation Act**

[Released to the press December 12]

The Department of State announced on December 12 that after consultation with interested agencies of the United States Government and with the approval of the Philippine Government, a total of \$37,872,520 has been apportioned among nine United States Government agencies to be used during the fiscal year 1947 in carrying out a broad program of restoration and improvement of public property and essential public services of the Republic of the Philippines.

These funds were appropriated by the 79th Congress to provide the necessary amounts to carry out the first year's operations under Title III of the Philippine Rehabilitation Act of 1946 which, "as a manifestation of good will to the Filipino people", authorized the appropriation of at least \$120,000,000 to carry out such a program over a four-year period extending to July 1950.

Apportionments made by the Department of State for the current fiscal year's operations are as follows:

Public Roads Administration, Federal Works Agency: to plan, restore, and build roads, streets, and bridges necessary from the standpoint of the national defense and economic rehabilitation and development — \$9,960,000.

Corps of Engineers, U.S. Army: for the rehabilitation, improvement, and construction of ports and harbor facilities in the Philippines — \$9,000,000.

Philippine War Damage Commission: to compensate the Republic of the Philippines for re-

<sup>1</sup> For text of agreement, see Department of State press release 914 of Dec. 18, 1946.

building, repairing, or replacing public property lost or damaged in the Philippines after December 7, 1941 and before October 1, 1945 — \$11,214,000.

Public Health Service, Federal Security Agency: for the rehabilitation and development of public-health services and facilities — \$2,826,000.

U.S. Maritime Commission: to charter vessels for operations in Philippine inter-island shipping — \$39,085.

Civil Aeronautics Administration, Department of Commerce: to establish and operate a system of air-navigation facilities and associated airways-communication services in the Philippines for inter-island airways operation and to connect the Philippine airways with international and inter-ocean routes — \$1,954,520.

Weather Bureau, Department of Commerce: to establish and maintain meteorological facilities — \$900,000.

Fish and Wildlife Service, Department of Interior: to assist in the rehabilitation and development of the fishing industry as well as in the investigation and conservation of the fishery resources — \$900,000.

Coast and Geodetic Survey, Department of Commerce: to continue the pre-war survey work — \$176,000.

The sum of \$902,915 was made available to the various agencies mentioned above, with the exception of the War Damage Commission, to provide technical training for approximately 200 Philippine citizens during the fiscal year 1947.

## Radio Broadcast on Our Relations With Latin America

On December 21 the Assistant Secretary for American Republic Affairs, Spruille Braden, and the Director of the Office of American Republic Affairs, Ellis O. Briggs, discussed with Sterling Fisher, Director of the NBC University of the Air, the subject of private enterprise in our relations with Latin America. This program was one in a series entitled "Our Foreign Policy" presented by the NBC University of the Air. For a complete text of the radio program, see Department of State press release 917 of December 20, 1946.

<sup>1</sup> Statement read to the press and radio correspondents at a Department of State press conference on Dec. 9, 1946.

<sup>2</sup> BULLETIN of Mar. 24, 1946, p. 483.

## Advantages in Standardization of Military Equipment<sup>1</sup>

During the recent war the United States provided vast quantities of supplies, including military supplies of all types, to our Allies. This action began first with the United Kingdom, with which country the exchange of weapons was reciprocal and covered a very wide field of equipment of all kinds. In order to accomplish quickly and efficiently the tremendous task with which we were faced, those who handled these supplies in both countries and directed them towards the winning of the war found that a certain amount of standardization of equipment followed inevitably and aided tremendously in the efficient prosecution of the war. In many cases new types of equipment were developed jointly. Wherever standardization was effected, there was saving in time, money, and manpower.

It is natural and inevitable for the armed forces to standardize necessary military equipment to the greatest degree practicable. Economy really means the utmost efficiency in utilizing resources, including most especially the appropriations made by Congress. The American people are particularly interested in economy and in reducing the cost of government.

Because of the effectiveness of these measures there have from time to time been informal exchanges of views on standardization of arms, notably with the United Kingdom and Canada. Our close association with these two countries in the war and the degree of standardization accomplished as a result thereof have made this logical.

It would be a mistake, however, to conclude that this very natural development implies political arrangements or commitments. As the Secretary of State said on March 16 of this year: "We do not propose to seek security in an alliance with the Soviet Union against Great Britain, or in an alliance with Great Britain against the Soviet Union."<sup>2</sup>

There has been no change in policy. The commitments of the United States are to the United Nations.

## Signing of Income-Tax Convention With Union of South Africa

[Released to the press December 17]

A convention between the United States and the Union of South Africa for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance on income taxes was signed at Pretoria on December 13, 1946 by Gen. Thomas Holcomb, American Minister to the Union of South Africa, and J. H. Hofmeyr, Acting Minister of External Affairs of the Union of South Africa.

The convention provides that it shall be ratified, that instruments of ratification shall be exchanged, and that it shall become effective (retroactively) as of July 1, 1946, and except in matters of administrative assistance shall first be applied to income arising on or after that date. The convention was signed in duplicate. Upon receipt by the Department of State of the duplicate original of the convention, arrangements will be completed for its submission to the United States Senate for advice and consent to ratification.

The provisions of the convention are similar in general to those contained in certain conventions now in force between the United States and foreign countries. Conventions for the avoidance of double taxation on income taxes are now in effect between the United States and Canada,<sup>1</sup> France,<sup>2</sup> Sweden,<sup>3</sup> and the United Kingdom.<sup>4</sup>

Negotiations are in progress between the United States and the Union of South Africa for the conclusion of a convention relating to double taxation in the case of estate taxes or death duties.

## Department of State Bulletin Subscription Price Increased

The annual subscription price of the DEPARTMENT OF STATE BULLETIN will rise from \$3.50 to \$5.00 on January 1, 1947 owing to a combination of factors which has left the Superintendent of Documents, Government Printing Office, no choice but to take this action. These factors are the constantly expanding size and scope of the BULLETIN, as it attempts to cover the vast range of American international relations, and the rising cost of production. The printing and publishing of government publications are affected as much by the rising prices of materials and other production factors as any other integral part of the national economy.

The need to take this action is regretted both by the Department of State and by the Superintendent of Documents. After thorough study of the problem during recent months the Department of State considers that the increase in price is preferable to the only alternative, which would have been to make drastic reductions in the quantity of original documentation and other material provided readers.

## Erratum

In the BULLETIN of November 10, 1946, p. 866, left-hand column, in footnote 1, change the number "733" to read "773".

## UNESCO Constitution Comes Into Force

The British Embassy informed the Department by a note dated December 10, 1946 that the constitution of the United Nations Educational, Scientific and Cultural Organization,<sup>5</sup> opened for signature at London November 16, 1945, came into force on November 4, 1946 upon its acceptance by 20 signatories, as provided in paragraph 3, article XV of the constitution.

Countries which have accepted the constitution, with the dates upon which the acceptances were deposited, are as follows:

Australia.....	June 11, 1946
Brazil.....	October 14, 1946
Canada.....	September 6, 1946
China.....	September 13, 1946
Czechoslovakia.....	October 5, 1946
Denmark.....	September 20, 1946
Dominican Republic.....	July 2, 1946
Egypt.....	July 16, 1946
France.....	June 29, 1946
Greece.....	November 4, 1946
India.....	June 12, 1946
Lebanon.....	October 28, 1946
Mexico.....	June 12, 1946
New Zealand.....	March 6, 1946
Norway.....	August 8, 1946
Poland.....	November 6, 1946
Saudi Arabia.....	April 30, 1946
Turkey.....	July 6, 1946
Union of South Africa.....	June 3, 1946
United Kingdom.....	February 20, 1946
United States.....	September 30, 1946

<sup>1</sup> Treaty Series 983.

<sup>2</sup> Treaty Series 988 and Treaties and Other International Acts Series 1572.

<sup>3</sup> Treaty Series 958.

<sup>4</sup> Treaties and Other International Acts Series 1546.

<sup>5</sup> Treaties and Other International Acts Series 1580.

## PUBLICATIONS

## Department of State

During the quarter beginning October 1, 1946 the following publications have been released by the Department:<sup>1</sup>

2540. United States Import Duties, June 1946. 1. Titles I and II of the Tariff Act of 1930 (Dutiable and Free Lists). 2. Changes in Import Duties Since 1930 (Prepared by the United States Tariff Commission). Commercial Policy Series 87. 437 pp. 70¢.
2579. Report of the United States Education Mission to Japan. Far Eastern Series 11. 62 pp. 20¢.
2590. Is UNESCO the Key to International Understanding? A radio broadcast by the Department of State, June 1, 1946. United States—United Nations Information Series 7. 23 pp. 5¢.
2597. The International Trade Organization—How Will It Work? Foreign Affairs Outline No. 7. Commercial Policy Series 92. 8 pp. Free.
2601. Purchase of Natural Rubber: 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 January 28 and March 1, 1946. Treaties and Other International Acts Series 1526. 3 pp. 5¢.
2602. Papers Relating to the Foreign Relations of the United States, 1931. Vol. I. 961 pp. \$2.75 (buckram).
2603. Purchase of Natural Rubber: Agreement Between the United States of America and France—Effected by exchange of notes signed at Washington January 28 and February 7, 1946. Treaties and Other International Acts Series 1525. 4 pp. 5¢.
2604. Mutual Aid Settlement: Agreement Between the United States of America and India—Signed at Washington May 16, 1946; effective May 16, 1946. Treaties and Other International Acts Series 1532. 8 pp. 5¢.
2605. Disposition of Lend-Lease Supplies in the United States: Agreement Between the United States of America and China—Signed at Washington June 14, 1946; effective from September 2, 1945. Treaties and Other International Acts Series 1533. 6 pp. 5¢.
2606. Mutual Aid Settlement: Agreement Between the United States of America and New Zealand—Signed at Washington July 10, 1946; effective July 10, 1946. Treaties and Other International Acts Series 1536. 7 pp. 5¢.
2608. Recent Publications of the Department of State, 1946. 4 pp. Free.
2609. Department of State Publications, July 1, 1946. A semi-annual list cumulative from October 1, 1929. 37 pp. Free.
2611. Military Mission to Venezuela: Agreement Between the United States of America and Venezuela—Signed at Washington June 3, 1946; effective June 3, 1946. Treaties and Other International Acts Series 1522. 13 pp. 5¢.
2612. Diplomatic List, September 1946. 153 pp. Subscription, \$2 a year; single copy, 20¢.
2613. Trial of Japanese War Criminals. Documents: (1) Opening Statement by Joseph B. Keenan, Chief of Counsel; (2) Charter of the International Military Tribunal for the Far East; (3) Indictment. Far Eastern Series 12. 104 pp. 20¢.
2614. The Department of State Bulletin, vol. XV, no. 376, September 15, 1946. 48 pp. 10¢.<sup>2</sup>
2615. Report of the West Indian Conference. Second Session. St. Thomas, Virgin Islands, United States of America, February 21 to March 13, 1946. Conference Series 88. 86 pp. Free.
2616. Restatement of U.S. Policy in Germany. Address by the Secretary of State, delivered in Stuttgart, Germany, September 6, 1946. European Series 13. 17 pp. 5¢.
2617. Eighth Report to Congress on Operations of UNRRA, as of June 30, 1946. 68 pp. 15¢.
2618. Building a New World Economy. Commercial Policy Series 94. 10 pp. Free.
2619. The Textile Mission to Japan. Report to the War Department and to the Department of State, January–March 1946. Far Eastern Series 13. 39 pp. 15¢.
2620. Disposition of Lend-Lease Supplies in the United States: Agreement Between the United States of America and Brazil—Signed at Washington June 28, 1946; effective June 28, 1946. Treaties and Other International Acts Series 1537. 3 pp. 5¢.
2621. What We Are Doing in Germany—And Why. Foreign Affairs Outline No. 11. European Series 14. 4 pp. Free.
2622. Activities of the Interdepartmental Committee on Scientific and Cultural Cooperation, June 30, 1946. Inter-American Series 31. 45 pp. 15¢.
2623. Goals for the United Nations—Political and Security. Foreign Affairs Outline No. 8. United States—United Nations Information Series 10. 4 pp. Free.
2624. The Department of State Bulletin, vol. XV, no. 377, September 22, 1946. 40 pp. 10¢.
2625. Mutual Aid Settlement: Agreement Between the United States of America and Australia—Signed at Washington and at New York June 7, 1946; effective June 7, 1946. Treaties and Other International Acts Series 1528. 7 pp. 5¢.
2626. Economic and Financial Cooperation: Agreement Between the United States of America and Poland—Effected by exchange of notes signed at Washington April 24, 1946. Treaties and Other International Acts Series 1516. 4 pp. 5¢.
2627. Occupation—Why? What? Where? Foreign Affairs Outline No. 10. 4 pp. Free.

<sup>1</sup> Serial numbers which do not appear in this list have appeared previously or will appear in subsequent lists.

<sup>2</sup> After January 1, 1947, subscription, \$5 a year.

2628. Report of the Mission on Japanese Combines. Part I. Analytical and Technical Data. Far Eastern Series 14. Processed material. 230 pp. 75¢.
2629. Foreign Service List, July 1, 1946. 151 pp. Subscription, 50¢ a year; single copy, 20¢.
2630. United States Economic Policy Toward Germany. European Series 15. 149 pp. 40¢.
2631. Goals for the United Nations—Economic and Social. Foreign Affairs Outline No. 9. United States—United Nations Information Series 11. 4 pp. Free.
2632. The Department of State Bulletin, vol. XV, no. 378, September 29, 1946. 44 pp. 10¢.
2633. What We Are Doing in Japan—And Why. Foreign Affairs Outline No. 12. Far Eastern Series 15. 4 pp. Free.
2634. Guide to the United States and the United Nations. United States—United Nations Information Series 12. 8 pp. Free.
2635. Report of the U.S. National Commission for UNESCO, with letter of transmittal from Assistant Secretary Benton to the Secretary of State, September 27, 1946. The United States and the United Nations Report Series 4. 27 pp. 10¢.
2637. Diplomatic List, October 1946. 156 pp. Subscription, \$2 a year; single copy, 20¢.
2638. The Department of State Bulletin, vol. XV, no. 379, October 6, 1946. 44 pp. 10¢.
2639. The Department of State Bulletin, vol. XV, no. 380, October 13, 1946. 44 pp. 10¢.
2640. Private Enterprise in the Development of the Americas. Inter-American Series 32. 14 pp. 10¢.
2641. Inter-American Coffee Agreement: Protocol Between the United States of America and Other American Republics Modifying and Extending for One Year From October 1, 1945 the Agreement of November 28, 1940—Open for Signature at Washington September 1–November 1, 1945; ratified by the President of the United States of America April 29, 1946; ratification of the United States of America deposited with the Pan American Union at Washington May 1, 1946; proclaimed by the President of the United States of America May 7, 1946; effective from October 1, 1945. Treaties and Other International Acts Series 1513. 14 pp. 5¢.
2642. Cooperative Education: Agreement Between the United States of America and the Dominican Republic—Effected by exchange of notes signed at Ciudad Trujillo October 13, 1945; effective October 13, 1945. Treaties and Other International Acts Series 1530. 12 pp. 5¢.
2644. Wheat: Agreement Between the United States of America, Argentina, Australia, Canada, and the United Kingdom Amending the Agreement initiated at Washington April 22, 1942 and effective June 27, 1942—Effected by exchanges of notes signed at Washington March 18, March 20, March 25, April 9, May 3, and June 3, 1946; effective June 3, 1946. Treaties and Other International Acts Series 1540. 6 pp. 5¢.
2646. Air Transport Services: Articles of Agreement Between the United States of America and Belgium and Provisional Agreement—Articles of agreement signed at Brussels April 5, 1946; effective April 5, 1946. Treaties and Other International Acts Series 1515. 26 pp. 10¢.
2647. Purchase of Brazilian Rice Surpluses: Agreement Between the United States of America and Brazil—Effected by exchange of notes signed at Rio de Janeiro December 21, 1943, and exchange of notes of July 20, 1945 extending the agreement. Treaties and Other International Acts Series 1517. 26 pp. 10¢.
2648. Telecommunications: Agreement Between the Government of the United States of America and Certain Governments of the British Commonwealth and Protocol Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland—Signed at Bermuda December 4, 1945. Treaties and Other International Acts Series 1518. 11 pp. 5¢.
2651. Foreign Policies: Their Formulation and Enforcement. Address by Loy W. Henderson, Department of State. 20 pp. 10¢.
2654. Marine Transportation and Litigation: Agreement Between the United States of America and the United Kingdom Amending the Agreement of December 4, 1942—Effected by exchange of notes signed at Washington March 25 and May 7, 1946; effective May 7, 1946. Treaties and Other International Acts Series 1558. 2 pp. 5¢.
2656. The Department of State Bulletin, vol. XV, no. 381, October 20, 1946. 40 pp. 10¢.
2657. Papers Relating to the Foreign Relations of the United States, 1931. Vol. II. 1082 pp. \$3 (buckram).
2661. The International Control of Atomic Energy: Scientific Information Transmitted to the United Nations Atomic Energy Commission June 14, 1946—October 14, 1946. Prepared in the office of Mr. Bernard M. Baruch, United States Representative. The United States and the United Nations Report Series 5. 195 pp. 30¢.
2662. The New Republic of the Philippines. Article by Edward W. Mill, Department of State. Far Eastern Series 16. 16 pp. 5¢.
2663. Fundamentals of U.S. Trade Policy. Address by Clair Wilcox, Department of State. Commercial Policy Series 95. 14 pp. 10¢.
2664. Report of the United States Education Mission to Germany. European Series 16. 50 pp. 15¢.
2667. The Department of State Bulletin, vol. XV, no. 382, October 27, 1946. 48 pp. 10¢.
2669. United States and Italy, 1936–1946: Documentary Record. European Series 17. 236 pp. 65¢.
2670. U.S. Aims and Policies in Europe. Address by the Secretary of State. European Series 18. 12 pp. 5¢.
2671. Occupation of Japan: Policy and Progress. Far Eastern Series 17. 173 pp. 35¢.
2673. The Department of State Bulletin, vol. XV, no. 383, November 3, 1946. 48 pp. 10¢.
2681. The International Control of Atomic Energy. Speech by Bernard M. Baruch, United States Representative to the United Nations Atomic Energy Com-

mission, Freedom House, New York City, October 8, 1946. 8 pp. 5¢.

2682. Report on the Paris Peace Conference. Address by the Secretary of State. Conference Series 90. 14 pp. 5¢.
2686. The Department of State Bulletin, vol. XV, no. 384, November 10, 1946. 48 pp. 10¢.
2690. Diplomatic List, November 1946. 159 pp. Subscription, \$2 a year; single copy, 20¢.
2694. The Department of State Bulletin, vol. XV, no. 385, November 17, 1946. 48 pp. 10¢.
2697. The Department of State Bulletin, vol. XV, no. 386, November 24, 1946. 48 pp. 10¢.
2700. A New Instrument of U.S. Foreign Policy. Address by Assistant Secretary Benton. 16 pp. 10¢.
2701. The Department of State Bulletin, vol. XV, no. 387, December 1, 1946. 52 pp. 10¢.
2705. The Department of State Bulletin, vol. XV, no. 388, December 8, 1946. 48 pp. 10¢.

#### TREATY SERIES

994. Utilization of Waters of the Colorado and Tijuana Rivers and of the Rio Grande. Treaty Between the United States of America and Mexico signed at Washington February 3, 1944—And Protocol signed at Washington November 14, 1944. Ratified by the President of the United States of America November 1, 1945; ratified by Mexico October 16, 1945; proclaimed by the President of the United States of America November 27, 1945; effective November 8, 1945. 57 pp. 15¢.

The Department of State publications entitled *Treaty Series* and *Executive Agreement Series* have been discontinued. The *Treaties and Other International Acts Series* has been inaugurated to make available in a single series the texts of treaties and other instruments (such as constitutions and charters of international organizations, declarations, agreements effected by exchanges of diplomatic notes, et cetera) establishing or defining relations between the United States of America and other countries. The texts printed in the present series, as in the *Treaty Series* and *Executive Agreement Series*, are authentic and, in appropriate cases, are certified as such by the Department of State. The *Treaties and Other International Acts Series* begins with the number 1501, the combined numbers in the *Treaty Series* and *Executive Agreement Series* having reached 1500, the last number in the *Treaty Series* being 994 and the last number in the *Executive Agreement Series* being 506.

The Department of State also publishes the United States Statutes at Large, which contain the laws of the United States and concurrent resolutions of Congress, proclamations of the President, treaties, and international agreements other than treaties. The Statutes are issued after adjournment *sine die* of each regular session of Congress. The laws are also published in separate prints, popularly known as slip laws, immediately after enactment. These are issued in two series: Public Laws and Private Laws, consecutively numbered according to the

dates of approval or the dates upon which bills or joint resolutions otherwise become law pursuant to the provisions of the Constitution. Treaties also are issued in a special series and are numbered in the order in which they are proclaimed. Spanish, Portuguese, and French translations, prepared by the Department's Central Translating Division, have their own publication numbers running consecutively from 1. All other publications of the Department since October 1, 1929 are numbered consecutively in the order in which they are issued; in addition, some of them are subdivided into series according to general subject.

To avoid delay, requests for publications of the Department of State should be addressed direct to the Superintendent of Documents, Government Printing Office, Washington 25, D.C., except in the case of free publications, which may be obtained from the Department. The Superintendent of Documents will accept deposits against which the cost of publications ordered may be charged and will notify the depositor when the deposit is exhausted.

As a possible indication of the amount which might be deposited for a given period, the cost to depositors of a complete set of the publications of the Department for the 12 months ending October 31, 1946 was somewhat in excess of \$25. Orders may be placed separately for the *Department of State Bulletin*, for the *Foreign Relations* volumes, for the *Diplomatic List*, for the *Foreign Service List*, for the *Treaties and Other International Acts Series*, or for other series listed herein.

The Superintendent of Documents also has, for free distribution, the following price lists which may be of interest: Foreign Relations of the United States; American History and Biography; Laws; Commerce and Manufacture; Tariff; Immigration; Alaska and Hawaii; Insular Possessions; Political Science; and Maps. A list of publications of the Bureau of Foreign and Domestic Commerce may be obtained from the Department of Commerce.

## THE DEPARTMENT

### Appointment of Officers

Allan Evans as Director, Office of Intelligence Coordination and Liaison, effective November 19, 1946.

Willard F. Barber as Chief, Division of Caribbean Affairs, effective December 1, 1946.

### Departmental Regulations

185.1 National Historical Publications Commission: (Effective 9-16-46)

I The Chief of the Division of Publications (PB) is designated as Historical Adviser for the purpose of representation on the National Historical Publications Commission pursuant to 44 U.S.C. 300e.

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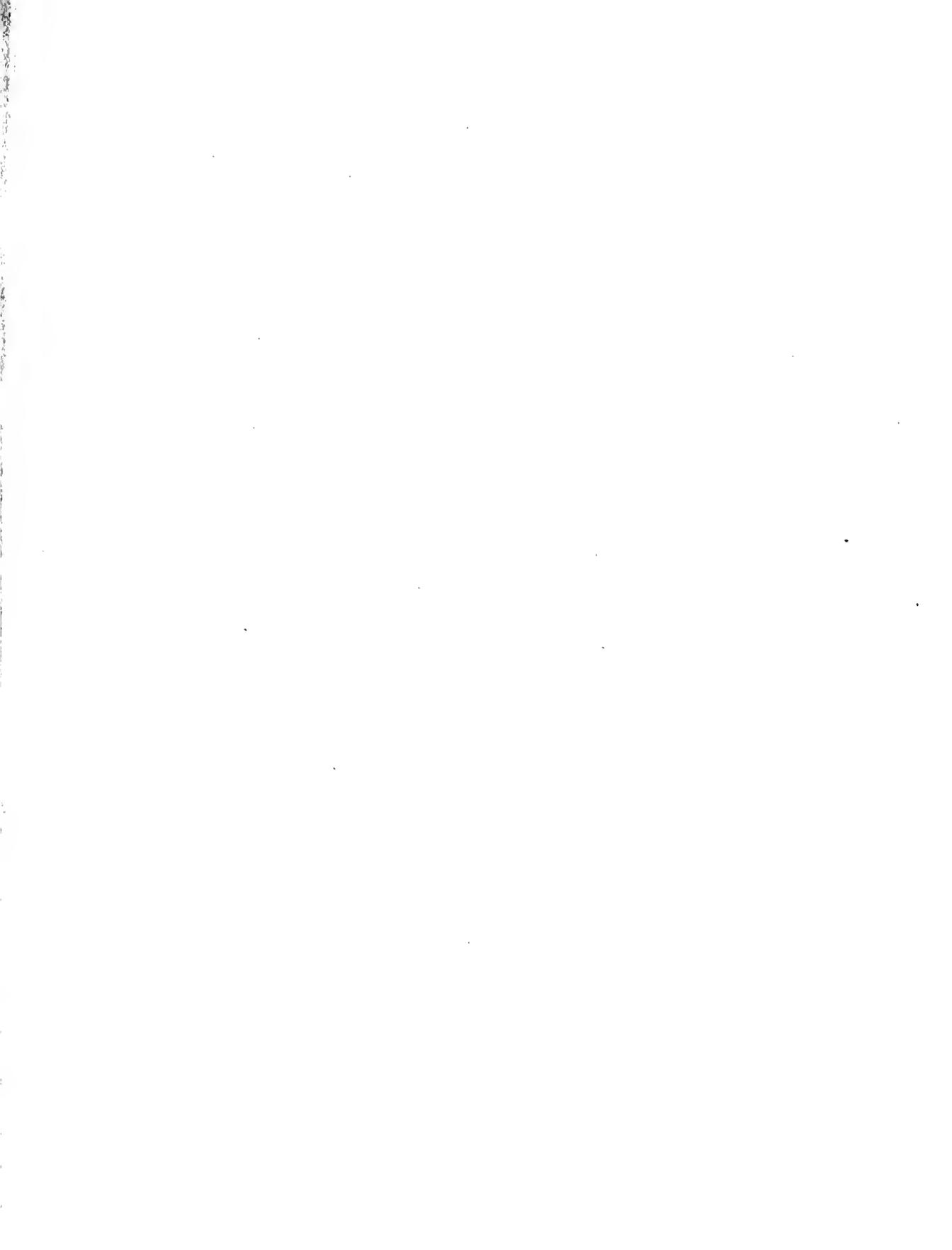
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## Contributors

Clarence W. Nichols, author of the article on the International Wool Talks, is Assistant Chief of the International Resources Division, Office of International Trade Policy, Department of State.



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