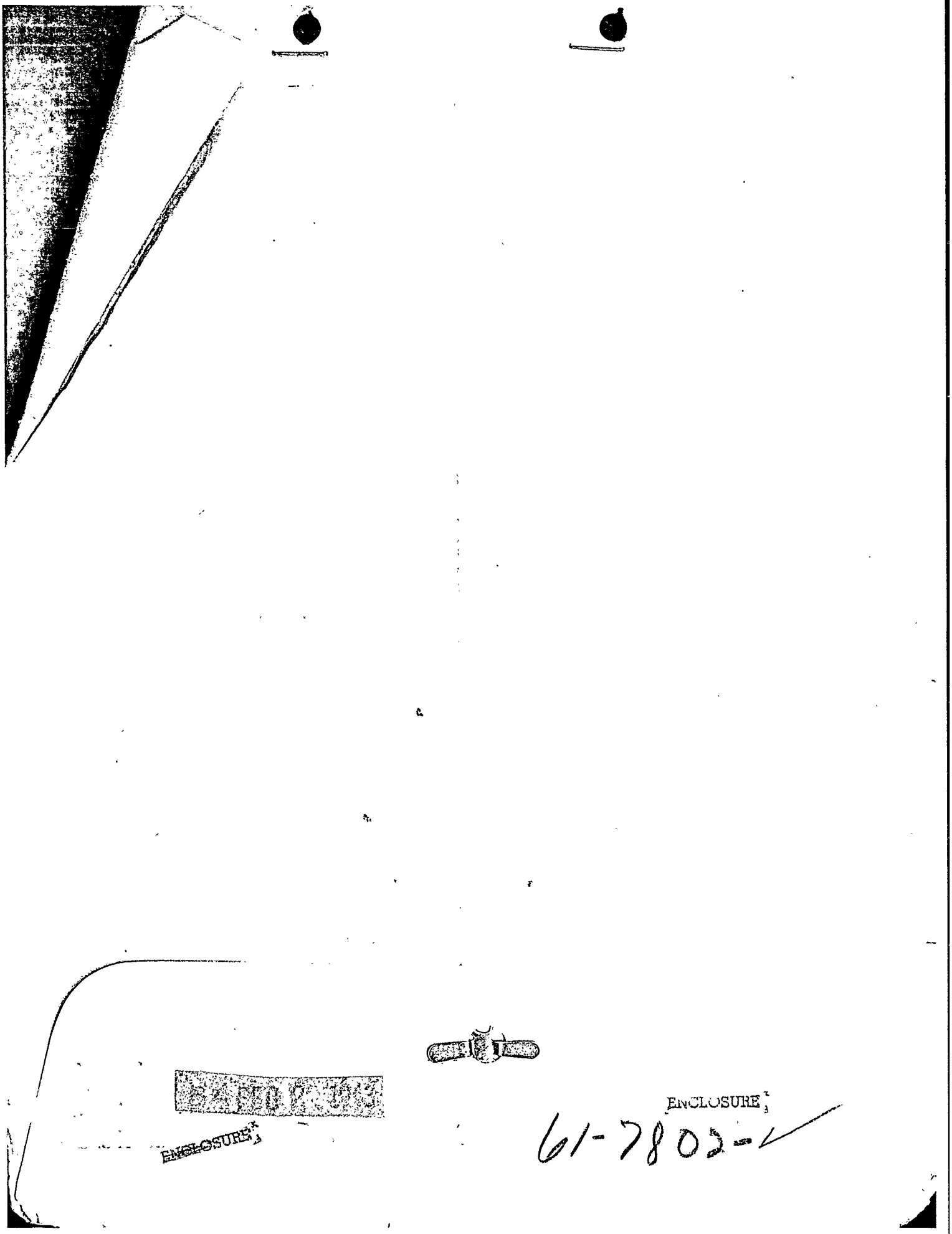
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Allied Governments in London—War Efforts and Peace Aims

BY WINIFRED N. HADSEL

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Allied Governments in London—War Efforts and Peace Aims

BY WINIFRED N. HADSEL

AS the military initiative passes into the hands of the United Nations, the reconquest of what the Nazis have begun to call "the fortress of Europe" comes within the range of possibility. Under the circumstances, the question whether their governments-in-exile actually represent them today and should resume their rule after the war becomes a matter of immediate concern to all who are interested in a peace that would fulfill the pledge contained in the Atlantic Charter regarding the right of all peoples to choose the form of government under which they will live. In some cases the problem is complicated by rivalry between various leaders, all claiming to speak for a conquered nation, and this rivalry may be expected to grow more bitter as the assault on occupied Europe gains in strength.

The United Nations have had a foretaste of these difficulties in recent disputes over the status of Admiral Jean François Darlan, former commander of the Vichy government's fleet, who has been giving temporary military cooperation to the American forces led by General Eisenhower in the North African campaign. On December 1, 1942, when Admiral Darlan proclaimed himself Chief of State in North Africa and set up an imperial council in what was presumably a step toward the establishment of a permanent régime in North and West Africa, vigorous objections were raised not only by the Fighting French under General Charles de Gaulle, who regard Darlan as a traitor, but also by many in Britain and the United States, who believe he is a fascist. Similarly, conflicts have arisen over Archduke Otto of Habsburg, pretender to the throne of the Austro-Hungarian Empire, who on November 19, 1942 secured Secretary of War Henry L. Stimson's acceptance as head of a committee to recruit an Austrian battalion for the United States Army. Austrian Social Democrats and other opponents of the monarchy,[1] as well as representatives of the former Habsburg subjects—Czechoslovaks, Yugoslavs, Poles, Hungarians, and Italians—charged that Otto planned to use the Legion to impose his restored imperial authority on Austria and Central Europe.

Prospects of political readjustment in Europe are also obscured by the presence in Britain and the United States of more than a half dozen "Free Movements," most of which are divided among themselves. These groups claim to represent countries which are under fascist control, but have not secured Allied recognition as the official spokesmen for their nations. The Free Austrians, as has been pointed out, are split into those who are ready to cooperate with the monarchists and those who will not associate with them even for the purpose of opposing the Anschluss. The Free Hungarians are divided into a democratic wing, which sharply opposes the régime of Admiral Horthy in Budapest, and a group composed of diverse elements who resist that régime for personal rather than ideological reasons. The Free Rumanians, a smaller organization, are split by a conflict between King Carol's former diplomats and the liberals opposed to them. Some free movements are even more fragmentary—the Free Catalonians, the Free Basques, and the several Italian movements. The Free Danes, by contrast, are united, have a democratically elected council in London, and make a sizeable contribution in men, ships and money to the war effort of the United Nations.

This REPORT attempts to clarify the confused political picture by examining the record of the eight governments in London which remain the legal sovereigns of their nations[2]—Belgium, Czechoslovakia, Greece, Luxembourg, the Netherlands,

1. For example, Ferdinand Czernin, chairman of the Austrian Action group, and Oscar Jaszi, well-known historian of the Danubian region, protested against Otto's action in two letters to the editor of the *New York Times*, on November 24 and December 4, 1942. Czernin declared that "no more harm can be done the Austrian cause than to have Austria's fight for freedom linked with the name of Habsburg." And Jaszi insisted that "the restoration of the Habsburgs would mean an accentuation of old hostilities, a new bulwark for feudalism and the preparation for the Third World War."

2. For a legal analysis of these governments' positions, see F. E. Oppenheimer, "Governments and Authorities in Exile," *The American Journal of International Law* (Washington, D.C.), October 1942, pp. 568-95.

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Norway, Poland and Yugoslavia. In addition, the Fighting French should be included for, although not technically a "government," they have been associated with the Allies since 1940.[2a]

FIGHTING ON DESPITE DEFEAT

The primary goal of the "Allied governments in London" (or the "legal governments abroad," as they usually prefer to be called, to avoid the opprobrium of the term "in exile")—the national survival of their people despite military defeat and Axis occupation—obviously depends on the victory of the United Nations.[3] It is the winning of the war, therefore, that they consider their most important task, and into it they have thrown the men, ships, colonial resources, and workers salvaged after the military conquest of their nation. The participation of the Allied governments in the war is, of course, by no means equal. In each case the contribution necessarily depends on the extent of the country's manpower, raw materials and wealth, as well as on the conditions that prevailed within its borders at the time of its defeat.

The most direct contribution of the Allied governments is their fighting men. Although mere numbers do not give a fair picture of the effort involved in rebuilding armed forces from defeated countries —which even before defeat had miniature reserves of manpower when compared with the U.S.S.R., China, the United States and the British Empire—their approximately 300,000 men on land and in the air are not negligible.[4] Many of these men, moreover, are veterans who have had actual experience in fighting the Axis war machine, and most have unusually high morale. These forces serve in almost every area of the world to which the war has extended—the British Isles, the Middle East, Africa, Russia and the Far East.[5] In the air, pilots of some of the governments are organized in separate units under United Nations command; others are incorporated in British organizations. The Poles, Fighting French, Greeks and Norwegians, as well as the Netherlands naval airmen, have their own national air forces; whereas the Belgians, Yugoslavs and Czechs, as well as the Dutch army fliers, have squadrons in the RAF Volunteer Reserves. Several hundred Luxembourgers are scattered in the British, Canadian and Fighting French units. Armies have been similarly reorganized, with only the Poles, who have the largest army of any of the exiled governments, and the Fighting French maintaining a completely independent command.[6]

Included on the side of the United Nations are 150,000 to 200,000 Yugoslav guerrillas, who put aside rifles, grenades and machine guns at the time of their surrender, and have since succeeded in securing some supplies surreptitiously from their own people, by raiding Axis stores, and from the Allies by way of submarines and parachutes. Some of the guerrillas are members of the country's regular army, now under the command of General Draja Mikhailovitch. Others—and probably the majority—are informally organized partisans whose ranks include persons of all political opinion and various nationalities. Between the Mikhailovitch followers and the partisans there has been troublesome friction, chiefly as the result of the partisans' complaint that the regulars are not as active as they might be because of their primary interest in preserving as large an army as possible in order to control the country after the war.[7] Despite these differences, the two separate groups manage to continue their resistance to the Axis.

All fighting forces of the exiled governments necessarily have been built up and developed rather slowly. Men who were evacuated from the continent following military defeat had to be reorganized and usually reequipped as well. The thousands of Poles, Dutch, Belgians, Norwegians, Czechs and French who arrived in Britain in the spring of 1940, however, were not merely a responsibility to their host; in the ensuing Battle for Britain many of them played an important part, particularly in the air over Britain and the Channel.[8] Pilots from all the conquered nations fought alongside the RAF, and the Polish squadron alone downed more than 150 enemy planes.[9]

2a. In Washington on January 2, 1942 the eight governments signed the Declaration of the United Nations to wage war to the full extent of their resources and to make no separate peace. Although the Fighting French are eligible signatories as one of the "appropriate authorities which are not governments," they have not yet endorsed it. V. M. Dean, "European Agreements for Post-War Reconstruction," *Foreign Policy Reports*, March 15, 1942, p. 6. The representatives of General de Gaulle did, however, sign two other inter-Allied agreements, on June 12 and September 21, 1941.

3. See Eduard Benes, "The New Central Europe," *Journal of Central European Affairs* (Chicago), April 1941, p. 1.

4. Stoyan Pribichevich, "The Exiled Governments," *Fortune* (New York), August 1942, p. 81.

5. For a useful compilation of the numbers of armed men and the theatres of war in which they are engaged, see V. M. Dean and others, *United Nations Discussion Guide* (Washington, D.C., U.S. Office of Education, October 1942), pp. 7-9.

6. For a sketch of the organization of each nation's armed forces, see *The Who's Who of the Allied Governments* (London, Allied Publications, 1942).

7. Ralph Bates, "Mikailovitch and the Partisans," *The Nation* (New York), November 28, 1942, p. 578. *The Daily Worker*, in support of the Communists included in the partisans, has charged that General Mikhailovitch is pro-fascist and has made "deals" with the Italians. *The Daily Worker* (New York), September 29, 1942.

8. "Britain's Allies," *Bulletins from Britain* (New York), supplements, Nos. 24, 26, 27, 28, 30, 31.

9. *Poland Three Years After* (New York, Polish Information Center, 1942), p. 11.

Since 1940 men from subsequently defeated nations, nationals from all parts of the world, and refugees from conquered areas have found their way to Allied camps and fighting fronts. Above all, 100,000 Poles, most of whom were released from Russian prison camps in 1941-42 following Germany's invasion of Russia, swelled the ranks of the exiled governments' forces. These several sources have by now been rather thoroughly tapped, except for the thousands of Poles in the U.S.S.R. who remain to be liberated for war participation.[10]

SHIPS—NAVAL AND MERCHANT

All but Czechoslovakia and Luxembourg, both landlocked countries, have made contributions to the war on the high seas. As a result, approximately 222 fighting ships and 25,640 officers and men from the defeated countries operated with the British Ministry of War Transport as of October 1942.[11] Many of the ships, particularly those of the Dutch, Norwegians, and Fighting French, are in the cruiser and destroyer class, but the great majority are smaller craft, such as submarines, minesweepers and patrol boats. Although many ships have been lost, replacements have been rapidly forthcoming from British and American yards. Approximately 7,500,000 tons of merchant shipping have also been contributed by the governments,[12] and employed in carrying food and supplies to the various theatres of the war. The Norwegian merchant fleet, which is one of the four largest in the world, has been particularly useful because of its high proportion of tankers. During the year 1941-42 these ships transported more than 40 per cent of the oil needed on Britain's fighting fronts.[13]

COLONIES AID UNITED NATIONS

Another important, although less obvious, way in which the exiled governments aid in the United Nations' war effort is through their colonies. The Fighting French, the Belgians, and the Dutch have overseas empires whose size and population dwarf those of the mother countries. But it is not in size and numbers alone that the wartime importance of these colonies resides. Their strategic location and resources make them significant assets on the side of the United Nations.[13a]

10. *Ibid.*, pp. 11-12.

11. Information furnished by the United Nations Information Center (New York), October 1942.

12. *Ibid.*, July 1942

13. *Inter-Allied Review* (New York), February 15, 1942, p. 40; see also O. Lorentzen, *Norwegian Shipping and the War* (New York, Oxford University Press, 1942).

13a. In addition, their colonial troops have participated in a number of engagements.

Organized under General de Gaulle's Council for the Defense of the Empire, the Fighting French have territories which are approximately six times the size of France.[14] Among these areas are Equatorial Africa and the mandated Cameroons, stretching across the center of Africa, New Caledonia, and establishments in Oceania—the islands which form part of the outlying defenses of the United Nations' Australian base in the Far East. On November 9, 1942 the civil administration of the Island of Madagascar, which British forces wrested from Vichy control in the autumn of 1942, was placed in the hands of General Paul le Gentilhomme, Commissioner for War on de Gaulle's French National Committee,[15] and later the same month a Fighting French expedition took over Reunion, 350 miles east of Madagascar.[16] Syria and Lebanon, key points in the Near East, were promised full liberty, in accordance with the terms of their mandates, by General Georges Catroux, Commander-in-Chief of the Fighting French Forces in the Middle East, before the Free French entered Syria in 1941.[17] These two areas continue, however, to remain associated with the Fighting French.[18] A few outlying points, such as the tiny enclaves in India, and the islands of St. Pierre and Miquelon off the coast of Newfoundland, are also in the hands of the Fighting French.

Free French Africa has been particularly important to actual and potential supply lines since the Japanese severed Allied trans-Pacific air and shipping routes in 1941. In the spring of 1942 Free French headquarters in London announced that they were prepared to help move war supplies for battlefronts in Libya and southeastern Asia across central Africa on two roads recently completed from the Cameroons to Khartoum. The roads, 1,500 to 2,000 miles long, had been laid through jungle country by the Free French and thousands of native workmen.[19] The de Gaullists subsequently proposed large-scale development of other trans-African transportation routes which, they felt, might prove crucial at future stages of the war.[20] The extent to which these plans have been put into effect is, of course, a military secret, but

14. "Territories of Free France," *France Forever Yearbook, 1942* (New York, France Forever, 1942). For a collection of reports, articles and books on the Fighting French colonies, see The Fighting French Press and Information Service, New York.

15. *New York Times*, November 10, 1942.

16. *Ibid.*, December 1, 1942.

17. "General de Gaulle in the Middle East," *Free France* (New York), September 1, 1942, p. 98.

18. For an address by Sheik Taggeddine on the first anniversary of Syrian independence, see *ibid.*, pp. 196-97. Syria and Lebanon plan to merge officially on April 1, 1943. *New York Times*, December 6, 1942.

19. *Christian Science Monitor* (Boston), February 4, 1942.

20. *New York Herald Tribune*, March 6, 1942.

it is known that new airfields as well as roads have been built in Free French territory.[21]

The Belgian Congo, which lies to the south and east of Free French Africa and is administered from London by the Belgian Minister of Colonies, is also valuable for the United Nations because of its strategic location. It completes the belt of Allied territory across central Africa over which aircraft and supplies go from the south Atlantic to the Middle East. In December 1941, moreover, Pan-American Airways instituted an air service between the United States and the Congo to increase collaboration between the two continents. Even more important, there is a great demand among the United Nations for practically every one of the colony's exportable products[22]—tin, rubber, copper, cobalt, industrial diamonds, palm oil, cotton, lead and natural silk.[23] Congo officials have attempted to meet the new requirements by opening up more roads, work camps and plantations, and by placing the colony's economy on a wartime basis. For the duration, natives can be obliged to work 60 days a year to cultivate or harvest the various agricultural products which the Governor General considers essential for the war effort.[24]

The Dutch East Indies, until just before the Japanese invasion in the spring of 1942, were the fifth largest world producer of oil, much of which could be refined into high-test gasoline, the second largest producer of tin, and the second largest of rubber.[25] With the loss of the Indies, however, the Netherlands empire was reduced to a few colonies in the Caribbean region, where Surinam (Netherlands Guiana) and Curaçao, a group of six islands off the coast of Venezuela, continue to provide the United Nations with essential resources. Surinam's bauxite mines furnish more than 60 per cent of all the aluminum used by the United States war industries, while oil refineries on Curaçao and its near neighbor, Aruba, process Venezuelan and Colombian petroleum into the high-test gasoline needed by planes and tanks. British and American soldiers cooperate with Dutch officials in protecting the bauxite mines of Surinam and the oil refineries of the islands from attack by enemy submarines.[26]

21. Egon Kaskeline, "Americans, Free French, Bolster West Africa," *Christian Science Monitor,* July 8, 1942.

22. The British have agreed to purchase all the rubber, copper and gold the Congo can produce. This arrangement was regularized in a treaty of June 4, 1942. *New York Times,* June 5, 1942.

23. Harry W. Newman, "Belgian Congo Supplies Civilization's Weapons," *Foreign Commerce* (Washington, D.C., Department of Commerce), April 25, 1942, p. 5; Pierre Ryckmans, "The Belgian Congo's War Effort," *Belgian Congo at War* (New York, Belgian Information Center), p. 5; Max Horn, "The Belgian Congo in the War," *Belgium* (New York), March 12, 1941, pp. 21-23.

24. Governor General Pierre Ryckmans in radio address from Leopoldville, March 10, 1942, *Inter-Allied Review,* April 15, 1942, pp. 72-73.

25. On the Indies' importance, see, Eelco N. Van Kleffens, "The Democratic Future of the Netherlands Indies," *Foreign Affairs* (New York), October 1942, p. 11; *Netherlands Overseas Territories* (London, Royal Institute of International Affairs, Information Department Papers, No. 28), pp. 62-63.

WORKERS IN WAR INDUSTRIES

The Allied governments in London are not in a position to supply labor for the factories of the United Nations on the same vast scale as the Axis-controlled rulers of Europe do for Germany. In the spring of 1942 the total number of Allied civilians in Britain, including Russians, Americans and Chinese, was less than 100,000, and only 40,000 were registered with the local labor exchanges[27]—an infinitesimal figure when compared with the estimated 4,500,000 from occupied countries whom the Nazis have set to work for the German war machine.[28] The importance of many of these workers is, however, far out of proportion to their number. The Czech group of approximately 15,000 specialists is particularly valuable. Men and women who had been employed in Czech pump works, glass, shoe, button, or woolen-cloth industries easily made the transition to production of gas masks, air-raid shelters, uniforms, and precision appliances for aircraft. In addition, engineers and workers from the Skoda works and the Zbrojovna plant in Brno brought with them knowledge of important secret processes used in making shell-casings and guns. The Czechs still produce a few of their famous civilian goods for export, notably leather goods, textiles and toys, thus helping increase the supply of foreign currencies in England.[29] The Poles, Belgians, Dutch, Norwegians and French also have a considerable number of skilled workmen in British factories.[30]

SABOTAGING GERMANY'S "NEW ORDER"

In the task of winning the war the governments

26. *Netherlands News* (New York), August 26-September 10, 1942, pp. 149-53; P. A. Kasteel, "Curaçao in the Fighting Line of Economic Warfare," *Netherlands Trade Review* (New York), July 1942, p. 4. On December 6, 1942 Queen Wilhelmina announced plans for a post-war "commonwealth" of the homeland, the East Indies, Curaçao and Surinam, each of which would be independent in internal affairs. *New York Times,* December 7, 1942.

27. E. C. Sosnowicz, "Allied Labor in Britain," *Free Europe* (London), March 13, 1942, p. 92; *News from Belgium* (New York), August 22, 1942, p. 272, stated that nearly 300 factories, representing about a hundred different industries, had been established in Britain by refugees from the continent.

28. For an analysis of Germany's use of foreign workers, see E. S. Hediger, "Nazi Exploitation of Occupied Europe," *Foreign Policy Reports,* June 1, 1942, pp. 75-76.

29. *Central European Observer* (London), August 22, 1941, pp. 229-30; "Czechoslovak Workers on the Battlefront" (New York, Czechoslovak Information Center, press releases, 1942).

30. Sosnowicz, "Allied Labor in Britain," cited.

in London count heavily on the resistance of the people at home to Nazi armies and administration authorities. By slowing down German-controlled factories, sabotaging communications, and refusing cooperation in any phase of the Nazis' "new order," the "underground" makes it necessary for the Axis to divert more of their men from the actual battlefield and hinders them in securing needed supplies. It was with these possibilities in mind that President Benes recently called the undergrounds of Europe the "third front."[31]

Much of the underground's action is spontaneous but, in the case of some large-scale efforts, careful planning is the first requirement for success. Sometimes this planning can be done by a leader on the spot; at other times more effective direction can be given by men who are abroad. Nothing can be revealed by the Allied governments at present concerning the precise way in which contacts are made, for such information would endanger key men in their organizations. They do indicate, however, that many contacts are made daily—a statement which obviously means that radio communication is used. Messages are transmitted over the BBC and the radio of the American Office of War Information to listening posts in the occupied countries. Personal messengers are also known to forge important links between country and government, while more devious means of communication are undoubtedly also used.[32]

SAFEGUARDING NATIONAL CULTURE

Keeping up the fight on the military front and resistance to the conquerors are only part of the exiled governments' efforts for restored independence. Realizing that political survival will mean little if cultural institutions are destroyed, the governments have attempted to transplant some of their countries' intellectual life abroad for safekeeping during the war. In this connection they have established and supported schools, learned and literary societies, magazines, newspapers and radio broadcasts as media for the expression of their national culture.

Adult education receives the greatest share of attention, for most refugees are in this age group. Exiled governments with large numbers of children and young persons have, however, attempted to provide them with schools, too, lest their education be completely disrupted by the war. The Czechs support three schools in Britain, one of which prepares pupils for attendance at English universities, while the others supplement instruction given in English schools or give training in the arts and crafts.[33] The Poles, Belgians, French and Norwegians also operate some secondary schools, and the Poles have a special college of medicine at Edinburgh University and a school of architecture at Liverpool University. In cooperation with their British or American allies, some of the governments have established educational centers in London and New York.[34-35] In London several national groups also support societies with an intellectual bent, where literary activity can be encouraged and social life enjoyed. In addition, all publish magazines and newspapers in Britain and America—some in their native language and others in English—and include in them not only reports of national news, but historical and literary articles as well.[36]

PAYING THEIR EXPENSES

The governments-in-exile have invented some ingenious ways of financing their administrations and war efforts, and have also resorted to the ancient devices of loans and gifts. In general, five methods have proved most popular.

(1) Most of the countries had funds abroad, particularly in the United States and Great Britain, on which they have been able to draw.

(2) Large gold supplies were rushed out of most of the countries by the fleeing governments and sent to what appeared to be safer places of deposit. In 1940 the Belgians, Luxembourgers, and Poles selected the Bank of France for some of their gold, but Marshal Henri Philippe Pétain subsequently caused more than $200,000,000 of the Belgian and Luxembourger gold to be turned over to the Germans[37] and the Pole's supply to be frozen at Dakar.[38] The Norwegians, Dutch and Greeks, having chosen the Bank of England, were more fortunate. The Czechs, however, deposited their gold in the Bank of England to the order of the Bank of International Settlements at Basle, and were

31. Eduard Benes, "Unseen Struggle on the Third Front," *New York Times Magazine*, August 2, 1942, p. 8.

32. Each of the governments has one or more regular publications in which news from the occupied zones as well as from abroad is circulated. These reviews usually take the form of modestly printed pamphlets or mimeographed sheets. Their circulation varies, but most of them are sent to a rather restricted audience of editors, lecturers, writers and librarians, as well as to fellow nationals abroad.

33. Czechoslovak Press Bureau releases (New York), September 18, 1942.

34-35. *Inter-Allied Review*, June 15, 1942, p. 143.

36. For lists of institutions, societies and publications in Great Britain, see *The Who's Who of the Allied Governments*, cited. See also H. L. Scanlon, "European Governments in Exile," *Memorandum Series, No. 3* (Washington, D.C., Carnegie Endowment for International Peace), January 15, 1942.

37. *Belgium*, March 12, 1941, p. 42; *New York Times*, November 7, 1942. Most of the Belgian gold was sent to Britain and the United States.

38. The Poles recovered approximately $64,000,000 in 1941 by bringing a legal suit in the United States courts against the representatives of the Bank of France in this country.

later obliged by German pressure to put over £6,000,000 at the disposal of the Deutsche Reichsbank before the war broke out in 1939.[39] The French gold supply, which the Fighting French would find very useful today, is stored at Martinique, one of the West Indies controlled by Vichy until November 21, 1942. On the eve of the French defeat, a large shipment of gold was sent from Brest to Halifax, where the captain found orders to proceed to Martinique. Canadian officials, aware that a Franco-German armistice was imminent, tried to prevent his departure, but he slipped away at night and out-distanced the belated pursuer they sent after him.[40]

(3) Some of the Allied governments still receive regular fiscal returns. The Belgians' chief source of income is the Congo. In the case of the Netherlands, the same was true until the fall of the Dutch East Indies.[41] Income taxes on nationals abroad, regardless of responsibilities to the governments under whom they live, offer the Norwegians and the Dutch some revenue,[42] and levies on merchant ships are made by the Yugoslavs, Poles, Greeks, Dutch and Belgians.[43]

(4) Most of the nations receive some contributions from their nationals or former nationals all over the world. The Greeks and Yugoslavs, both of whom have over a million of their countrymen abroad, and the Norwegians, Czechoslovaks and Poles have found this source particularly useful.[44]

(5) For a majority of the governments, the most important source of income is borrowing, in one form or other. Only the Dutch, Belgians and Norwegians have thus far paid cash for all supplies and expenses. British loans are particularly important in the case of the Poles and the Fighting French, all of whose military expenses are met in this way, with the understanding that they will be repaid after the war.[45] The Poles have a similar arrangement with the U.S.S.R.,[46] and the Luxembourgers with the Belgians. United States lend-lease agreements, involving varying amounts of aid, have been made with all the governments except Luxembourg.[47]

39. Lucy M. Sayre, *Freedom in Exile: A Handbook of the Governments in Exile* (Washington, D.C., American Association of University Women, 1942), p. 15. Later the Czechoslovak government reached an agreement with the British on this question.

40. W. A. Roberts, *The French in the West Indies* (New York, Bobbs-Merrill, 1942), pp. 308-09.

41. *Belgium,* March 12, 1941, p. 42.

42. Sayre, *Freedom in Exile,* cited, pp. 19, 32.

43. *Ibid.,* pp. 26, 23, 19, 32; *Christian Science Monitor,* November 4, 1942.

44. Sayre, *Freedom in Exile,* cited, pp. 19, 26, 10, 15, 23.

45. Pribichevich, "The Exiled Governments," cited, p. 170.

46. *Poland Three Years After,* cited, p. 2.

REPRESENTATIVE GOVERNMENT UNDER DIFFICULTIES

With fascist puppets or Axis forces in control at home, the governments in London are intent on maintaining their constitutional and representative political institutions regardless of the difficulties involved. And those difficulties are many and serious. Chief among them is the possibility that the terrible experiences of the conquered peoples may create wide divergences between government and nation despite the governments' continuous efforts to keep in touch through underground channels. Moreover, difficulties arise from the lack of political paraphernalia that a representative system ordinarily employs, notably elections and critical parliaments. The reservoir of leadership that democracy requires is also lacking, for many of the most able and popular political leaders of the pre-war period refused to leave their countries, and others were unable to do so. Today, therefore, the governments still represent for the most part the political forces that happened to be in control at the time of defeat, although conditions at home probably have been revolutionized in the interim.[48]

The Belgians, Dutch, Luxembourgers and Norwegians have made only minor Cabinet changes since their arrival in London, and there seems to be no indication of any forthcoming modifications at the present time. The same generalization holds true for the Fighting French, who have added new leaders to their National Committee in order to emphasize the unity that exists between the underground and de Gaulle rather than to make any marked shift in politics. Chief among these new Fighting Frenchmen is André Philip, a socialist deputy from 1936 to 1939 and, during 1941-42, editor of *Libération,* one of the chief organs of the French underground.[49] Philip has declared that his appointment is an indication that the organizations of resistance are "an integral part of the forces of Fighting France, carrying on in the interior of the territory a struggle which comes within the plan of action of the allies."[50]

On the other hand, important changes in personnel and policy have been made by the Greeks and Poles. Greece, when invaded, had been under martial law and without parliamentary institutions for four years. In 1936 General John Metaxas de-

47. See the President's sixth report to Congress on Lend-Lease Operations, September 14, 1942, 77th Congress, 2nd session, House Doc. No. 839 (Washington, D.C., Government Printing Office), p. 11. The Fighting French signed a reciprocal-aid agreement on September 3, 1942. *Department of State Bulletin,* September 5, 1942, p. 734.

48. For a statement of the view that the governments abroad may fail to represent their people, see *The New Republic* (New York), October 26, 1942, p. 528.

49. *Free France,* August 1, 1942, p. 56.

50. Address over BBC, *Free France,* August 15, 1942, p. 78.

clared that a Communist threat made his personal rule necessary and that Parliamentary democracy was ended in Greece forever. However, after the military disaster of 1941, the death of Metaxas, the growth of far-left demands in Greece coincident with famine and disease and, it seems likely, the pressure of United Nations' opinion, the Greek government-in-exile effected a series of changes. It announced on February 4, 1942 that the democratic charter of 1911 was in full force where circumstances "do not make its application impossible";[51] subsequently dismissed the Minister of Justice, Stelios Dimitrakakis, who had long been known as a foe of trade unions; and appointed as a new member of the Cabinet Panajotis Kannellopoulos, a former leader of the underground and the reputed idol of Greek youth.[52]

The Poles' changes in policy have been similarly marked. On June 11, 1941, for example, the Polish Cabinet in London condemned "any anti-Semitic policies" as harmful to the Polish cause.[53] In part, the statement was probably a reply to German propaganda that it was the Jews who were responsible for the downfall of Poland in 1939, but it seems also to have been a reflection of insistence at home that this policy of the pre-war totalitarian régime be rejected in the future Poland. The Sikorski government, furthermore, has departed from the record of the earlier government by making a number of pro-labor statements, and late in November 1942 reports from London indicated that the Polish National Council was considering sweeping land reform and industrial socialization.[54]

REPRESENTATION VERSUS UNITY

To be representative and, at the same time, present a united front is usually difficult, and the governments have generally preferred to sacrifice party discussion to national unity. As a result, single national parties have sprung up.[55-59] The Norwegians and Czechs, for example, have governments resting on coalitions of their pre-war parties. The Poles, similarly, have a Cabinet of "national unity and defense," which is composed of representatives of the four strongest parties in pre-war Poland.[60] The Fighting French also insist that they represent no political party, and that old class and party lines have lost their meaning in the France of post-1940.[61] De Gaulle himself has repeatedly said: "I am not a politician—I have not and I do not want to have any political ties. My goal is the union of all Frenchmen for the resurrection of France."[62]

These attempts to be nonpolitical, essential and inevitable though they are in strengthening the governments during the war, sometimes produce confusing situations. They result, for example, in the rallying to the United Nations of some elements that are far from democratic in sympathy. In October 1942 the Fighting French, whose policy is to accept any one not directly responsible for the armistice,[63] warmly welcomed Charles Vallin, vice president of the old *Croix de Feu,* a rightist group which had been one of the steady supporters of Marshal Pétain. Far from repudiating his rightist views, Vallin stated that he came to join de Gaulle "without giving up or denying any of my ideas or friendships."[64] This reception by the Fighting French of a man with an anti-democratic outlook disturbed not only Englishmen and Americans,[65] but progressive groups among the French émigrés as well. Both the *Groupe Jean Jaurès* and the *Centrale Syndicale Française* passed resolutions criticizing de Gaulle's acceptance of Vallin,[66] but the General nevertheless gave the ex-rightist leader a post with the Fighting French Forces in Africa.

HINDRANCES TO POST-WAR PLANNING

The moratorium on politics complicates the problems of post-war planning as well as the waging of the war. All-inclusive national parties hinder the crystallization of any distinct ideas concerning the future, for political groups which cooperate only for the purpose of winning the war frequently find it difficult to agree on definite post-war plans.[67] This handicap to planning the peace is, however, by no means the only one under which the exiled governments labor. In addition, they are deterred from speaking out clearly by the danger of reprisals against friends and relatives at home, the

51. For text of Cabinet announcement, see *Inter-Allied Review,* March 15, 1942, p. 52.

52. *Free Europe,* February 27, 1942, p. 78; also, *Christian Science Monitor,* May 5, 1942.

53. A News Bulletin on Eastern European Affairs (Polish Information Center, New York), June 26, 1941, p. 3.

54. *New York Times,* November 24, 1942.

55-59. The Communists, however, remain excluded from membership in any of the governments.

60. BBC, Polish News Service, February 25, 1942.

61. Victor Vinde, "In Defeated France," *Foreign Affairs,* October 1942, p. 64. They admit, however, that the main centers of their support are the labor organizations, schools and universities, and churches. See Paul Vaucher, "The Meaning of the French Resistance," *Political Quarterly* (London), November-December 1941, p. 366.

62. See Barrès, *Charles de Gaulle,* cited, pp. 243-44.

63. In May 1942 the Fighting French rejected Camille Chautemps' application for membership because, as Vice Premier in the Pétain government, he had played a part in the signing of the armistice. *PM* (New York), May 21, 1942.

64. *New York Times,* September 18, 1942.

65. *Ibid.*

66. H. J. Laski, "A London Diary," *The New Statesman and Nation* (London), October 10, 1942, p. 234.

67. "Underground Politics," *Economist* (London), August 15, 1942, pp. 197-98.

absence of some of their most competent specialists, their inevitable uncertainty as to the effects of the war on all phases of post-war life[68] and, above all, by their recognition of the necessity for submitting their plans to the people after the war.[69] Despite these limitations, however, planning the peace is one of the Allied governments' major objectives—one, in fact, which many of the statesmen in London consider just as crucial and even more difficult than winning the war.[70] All have either set up special research agencies to study reconstruction, especially in the economic field, or have assigned this work to an already existing staff of experts.

BLUEPRINTS FOR RELIEF

All the governments agree that ways and means of bringing relief to their countries immediately the war is over must be worked out now.[71] A few have drawn up plans for supplying their nations with food, clothing, housing and transportation, and the Dutch have already begun to store goods which they think will be needed.[72] Requirements, however, outrun the resources of any of the governments, and the British since September 24, 1941 have cooperated by setting up an Inter-Allied Post-War Requirements Bureau within the Ministry of Economic Warfare. Under the chairmanship of Sir Frederick Leith-Ross some food supplies have already been stored in the Empire for shipment when needed, and a few plans have been made for pooling the Allied shipping required for distribution.[73] The United States took a similar step on November 21, 1942, when President Roosevelt appointed ex-Governor Herbert H. Lehman of New York Director of Foreign Relief and Rehabilitation, and instructed him to plan the feeding, clothing and rehabilitation of countries which are friendly to or occupied by the United Nations.[74]

68. Ethel John Lindgreen, "Reconstruction Research Conducted in Britain by the European Allies," *Agenda* (London), July 1942, p. 255; Egon Raushofen-Wertheimer, "The Governments in Exile," *The Voice of Austria* (Ottawa), December 1942, p. 7.

69. Polish Feature and News Service (New York), No. 28; "Outlook for France," *Planning* (London), September 22, 1942, No. 193; Eduard Benes at the opening session of the Third Czechoslovak State Council, London, Czechoslovak Press Bureau releases, November 17, 1942.

70. Dr. Pieter Gerbrandy, in *Rebuilding Europe—Allied Statesmen Look Ahead in Talks to Valentine Heywood* (London, Cassells, 1942), p. 13.

71. For text of resolution by eleven Allied nations signed in London on August 14, 1941, see *Inter-Allied Review*, October 15, 1941, p. 1.

72. For speech by Anthony Eden, see *ibid.*, p. 7.

73. No public reports have been made by the Leith-Ross Commission to date. For a discussion of the commission, see H. P. Whidden, Jr., "As Britain Sees the Post-War World," *Foreign Policy Reports*, October 15, 1942, p. 204.

74. *New York Times*, November 22, 1942.

ATLANTIC CHARTER OUTLINES PEACE

When the governments look beyond immediate post-war relief to essential conditions for a reconstructed Europe, they agree on the principles of the Atlantic Charter which, in Churchill's phrase, is the rough and ready wartime statement of the goal; but when they specifically interpret the Charter's statements, they differ among themselves and also with the other United Nations.[75] For example, although they heartily endorse the well-known third point of the Atlantic agreement—"the right of all peoples to choose the form of government under which they will live"—they find that it presents problems, particularly in Central and Eastern Europe where nationally homogeneous states have never existed. To further complicate the situation, the war has increased the minorities problem, for the Germans have moved great numbers of Jews, workers from the occupied countries to distant industrial centers, and families from strategic zones. In considering this matter, most of the governments simply hope for the return of these thousands of people to their pre-war homes, but President Benes, whose country was so disastrously affected by its German minority prior to 1939, has suggested that "it will be necessary after this war to carry out a transfer of populations on a very much larger scale than after the last war." He adds, apparently with the record of the Greco-Turkish forcible exchange of populations after 1923 in mind: "This must be done in as humane a manner as possible, internationally organized and internationally financed." Recognizing that it will not be possible to move all minorities, he goes on to urge that the Atlantic Charter's principle be interpreted in terms of "human democratic rights" protected by the government under which they live, but that it must not be construed in such a way as to give them "the character of internationally recognized political and legal units, with the possibility of again becoming sources of disturbances."[76]

"HARD PEACE" DEMANDED

The Atlantic Charter's declaration that nations shall be afforded the means of dwelling in safety within their own boundaries is interpreted by the exiled governments as meaning a "hard peace" for Germany. Several of them, having experienced a German invasion before, charge that Germany is the chief aggressor in Europe and should be pun-

75. Anthony Eden, in *Rebuilding Europe*, cited, p. viii.

76. Eduard Benes, "The Organization of Post-War Europe," *Foreign Affairs*, January 1942, pp. 15-16. Bernard Newman states: "It is almost certain that exchanges or transfers of population will form an important part of the machinery for the reconstruction of Europe." *Free Europe*, March 13, 1942, p. 86.

ished accordingly. The Poles contend that "Hitler is not the author of the pan-German idea—he is not the originator of the conception of the biological extermination of the Polish nation. Hitler only raised the instincts and ambitions dormant in the soul of every German."[77] President Benes similarly indicts the Reich as the nation "which ever and again hurls the world into terrible wars in which it commits shame and barbarity." As a remedy he has insisted that "there must be a decentralized [German] confederation. In fact, Prussia herself should be divided into three or four State units. And Germany as a whole must be restricted to her pre-1938 frontiers, with possible rectification in favour of her neighbors, if they are demanded in the interests of European security."[78]

Experience with the armies of occupation has further convinced the exiled governments that they are in a better position than the other Allies to know what should be done with Germany. The *Central European Observer* declares: "You have to live with people to get to know them. Some of the free people of Europe have had now more than three years of the German occupation."[79] Acting on this first-hand knowledge, the eight governments and the Fighting French signed a pledge on January 13, 1942, stating that one of their principal war aims was "the punishment through the channels of organized justice of those guilty and responsible for these crimes [in the occupied countries]."[80] In the ensuing months some of the governments have broadcast instructions to their citizens to draw up evidence of crimes committed in preparation for the day of reckoning.

INTERNATIONAL COOPERATION

During the war the governments in London have had practical experience in cooperating as United Nations on the military front, in inter-Allied meetings on specific wartime problems, and even in handling their press relations through inter-Allied information centers.[81] In considering the questions of how much of this cooperation will last on into the post-war period, one thing, at least, appears certain—all have been disillusioned by neutrality, and with one accord label it a bankrupt policy.[82] But in seeking satisfactory partners with whom to cooperate in the future, few hope to find them in a world-wide structure for peace similar to the League of Nations, or in an ambitious plan for a United States of Europe.[83] They consider a new international organization desirable and worthwhile as a goal, but only for the distant future if, indeed, it is ever realized.

SECURITY THROUGH FEDERATIONS?

Instead of looking to a league, many of the governments hopefully turn toward the maintenance of the present war-community of the United Nations.[84] But, if this should not be practicable, they are willing to collaborate with like-minded neighbors.[85] A Scandinavian bloc, such as that proposed in 1940, could presumably be built on such a basis as this, for Norway Sweden, Denmark, Iceland and Finland have kindred institutions. The war, however, has affected the five nations differently. Trygve Lie, Norwegian Foreign Minister, continues, nevertheless, to declare that he hopes there will be post-war cooperation between all the Scandinavian states, although he admits this necessarily depends on factors which cannot be weighed until after the war is over.[86]

Another possible area for cooperation is in Eastern and Central Europe. Here two federal unions have been planned.[87] The Czechs and Poles propose their future confederation in order "to assure common policy with regard to foreign affairs; defense, economic and financial matters; social questions; transport, posts and telegraphs."[88] The Yugoslavs and Greeks envisage a similar union, and have gone on to draw up specific blueprints for putting it into effect.[89] These two federations, by complementing each other politically and economically, hope to build up a powerful bloc which could repel aggression from without.

Federations, even though set up to solve their region's particular problems, need not be closed corporations, and those proposed in Central and

77. *Black Book of Poland* (New York, Putnam, 1942), pp. 149-51; also Polish Feature and News Service, cited, No. 57.

78. Benes, "The Organization of Post-War Europe," cited, p. 5.

79. *Central European Observer,* January 23, 1942, p. 21.

80. For full record of the conference and resolution on German war crimes, see *Inter-Allied Review,* February 15, 1942.

81. The Inter-Allied Information Center in London and the United Nations Information Office in New York function as central clearing houses for data concerning their supporters. The New York office publishes the bi-monthly *Inter-Allied Review.*

82. This view has been stated by representatives of all the governments in *Rebuilding Europe,* cited.

83. See J. Anton de Haas, *Postwar Reconstruction of the Netherlands* (New York, Netherlands Information Bureau, 1942), p. 19; Eduard Benes, "The New Order in Europe," *The Nineteenth Century* (London), September 1941, p. 154.

84. See Eduard Benes, "Future of the Small Nations and the Idea of Federation," speech to the Foreign Press Association, New York, April 28, 1942; statement by Trygve Lie, *Inter-Allied Review,* March 15, 1942, pp. 57-58.

85. *Inter-Allied Review,* March 15, 1942, pp. 9-10.

86. *Ibid.,* June 15, 1942, p. 140.

87. Josef Hanc, *Eastern Europe and the United States* (Boston, World Peace Foundation, 1942), pp. 68-72.

88. For Polish-Czechoslovak Agreement of January 23, 1942, see Dean, "European Agreements for Post-War Reconstruction," cited, p. 9.

89. For Greek-Yugoslav Agreement of January 15, 1942, see *ibid.,* pp. 10-11.

Eastern Europe are intended to be nonexclusive. Both visualize the ultimate adhesion of their neighbors who are now Axis partners—provided they become democratic for, as Benes has insisted: "We could not confederate with an authoritarian Austria or a feudal Hungary."[90] Moreover, both have stated their eagerness to cooperate with the Anglo-Saxon world and Russia. Momcilo Nincitch, Yugoslav Foreign Minister, states emphatically that "Britain is in Europe and of Europe, and must play her part if peace and prosperity are to be achieved in Europe." On the need for American collaboration in post-war Europe there is also general agreement. The Norwegians and Dutch, whose interests are on the seas and in far parts of the world as well as on the continent, are among the strongest supporters of cooperation with Britain and America. Russia's place in a reconstructed Europe is emphasized, too, and by none more strongly than Benes, who insists: "I have always fought against the idea that Britain and Russia do not belong to the European continent."[91]

REMODELED ECONOMIES

Economic problems are not overlooked by the exiled governments. In fact, although their plans for international security differ, they all spring from the realization that economic welfare is essential to lasting peace. But precisely what methods should be used to end economic crises, mass unemployment and the struggle for markets is a question on which these Allied statesmen are somewhat at odds. Some endorse collective economies which depart completely from the liberal system, believing that the war has made a nationally planned economy under the direction of the state necessary in all countries.[92] Others, however, notably the Belgians, believe that great dangers are inherent in planning, and hope for a middle course between it and *laissez faire.*

Particular stress is placed on the importance of having large-scale economic units in dealing with problems of employment and agrarian reform.[93] This need for international cooperation has long been axiomatic for the heavily industrialized Belgians, who must have a large foreign market, and the Norwegians, whose shipping services must find employment abroad. But in Central and Eastern Europe, too, the need for international cooperation is now emphasized. In this section of the continent —which the French economist, Francis Delaisi, once called "the draught-horse" region to distinguish it from "the steam-horse" region of the west[94]—agricultural production is low and industries are lacking except in a few localities. The need for remedying this situation has been recognized in the planning of the proposed federated bloc in the region, which in the words of one of its supporters, Jan Stanczyk, Polish Minister of Labor, is intended "to make possible both the development of their own industry and economy and . . . forever abolish the economic hegemony and consequent political domination of Germany."[95]

Some steps have already been taken to convert these principles into working arrangements. The Czechs and Poles, and the Yugoslavs and Greeks, have pledged themselves to establish customs unions, common monetary policies, and joint systems of transportation and communication. In addition to these minimum essentials of economic cooperation, these four nations have signed a Declaration of common aims,[96] and set up a Central and Eastern European Planning Board in New York[97] and an agricultural commission in London to study and recommend plans for the revamping of their industry and agriculture, particularly in relation to the social and economic standards of the peasant population. But as yet, although many problems have been clarified and some adjustments suggested, much remains to be done in working out practical remedies.

CONCLUSION

The role of the legal governments representing the occupied countries of Europe is threefold: to increase the war effort of the United Nations, to maintain contact with the isolated conquered peoples and encourage their continued resistance, and to keep their national point of view on the post-war world before their allies. And although the present exiled leaders themselves may not long remain in power, they are in a position to serve as a very useful bridge between the periods of war and permanently established peace.

90. *Rebuilding Europe,* cited, p. 45; for a similar view in an address by Dr. Hubert Ripka to the Czechoslovak State Council on January 7, 1942, see *Inter-Allied Review,* March 15, 1942, pp. 48-49.

91. See *Rebuilding Europe,* cited, p. 36; also pp. 11, 30, 47.

92. For a Norwegian statement, see *Inter-Allied Review,* March 15, 1942, p. 57; for Polish plans, see *New York Times,* December 5, 1942.

93. See Benes, "Organization of Post-War Europe," cited, p. 17.

94. *Les deux Europes* (Paris, Payot, 1929), p. 28.

95. Broadcast to Poland, November 12, 1941 (Polish Information Center releases).

96. *United Nations Agreements and Documents* (New York, Commission to Study the Organization of Peace, July 1942), p. 4.

97. *Ibid.,* pp. 4-5; see also, *Documents and Reports* (New York, Central and Eastern European Planning Board, 1942).

In the January 1 issue of FOREIGN POLICY REPORTS
SWITZERLAND IN WARTIME *by Ernest S. Hediger*

Who's Who in the Exiled Governments

By Winifred N. Hadsel and Ona K. D. Ringwood

BELGIUM. The Belgian Constitution and a law of September 7, 1939 declared that, in case of emergency, all the government's powers should be transferred to one member of the Cabinet. Soon after the end of the fighting in Belgium, A. de Vleeschauwer, Minister for Colonies, went to London to prepare the way for the establishment of the Belgian government there. Within the next few weeks de Vleeschauwer was joined by six other members of the Cabinet, including Hubert Piérlot, Prime Minister since February 1939, and ten members of parliament, who together formed an advisory "Belgian Parliamentary Office."

CZECHOSLOVAKIA. On October 5, 1938, a week after the Munich Agreement, Eduard Benes, President of Czechoslovakia since December 1935, resigned under German pressure and went first to England and then to the United States. Immediately following Hitler's occupation of Prague the following March, however, he organized a movement to reestablish the Czechoslovak Republic. With the outbreak of war in September 1939, a Czechoslovak National Committee was formed in Paris. Since then, the Committee has been transformed into a Provisional Government in London, with Benes as President, and granted recognition by all the United Nations and several of the South American countries. Among its 14 Cabinet members are Premier Mgr. Jan Sramek and Foreign Minister Jan Masaryk. There is also a State Council—an advisory body of 43 members—which is appointed annually by President Benes.

FIGHTING FRENCH. On June 23, 1940, the day after Marshal Henri Philippe Pétain's government signed an armistice with Germany, General Charles de Gaulle, a veteran of the war and Under Secretary for National Defense and War in the government of Paul Reynaud, charged that Pétain had capitulated unnecessarily, and was no longer an independent agent. In order to protect "the fundamental interests of France," de Gaulle formed a Provisional Free French National Committee under his presidency and proceeded to continue the war on the side of the Allies. Several of the French colonies at once rallied to his cause, and were placed under a Council for the Defense of the Free French Empire. On September 24, 1941 de Gaulle reorganized and enlarged the National Committee in order to make it more effective as a Cabinet. On July 14, 1942 the Free French changed their name to the Fighting French.

GREECE. Two Greek Prime Ministers, John Metaxas and Alexander Koryzis, have died since the beginning of the war. The present Premier, Emmanuel J. Tsouderos, financial expert and former Minister of Foreign Affairs, came to office on April 21, 1941, a month before the Axis occupied the whole of Greece. Although he and four other members of his government, together with King George II, later came to London, other Cabinet officials are either in Cairo or the United States.

LUXEMBOURG. Grand Duchess Charlotte, the constitutional and hereditary monarch of Luxembourg, is at present in Canada. Two members of the Cabinet, which was appointed in November 1937, are in London and two in Toronto, both of which places are official seats of the government. The President of the government is Joseph Bech, leader of the Catholic party.

NETHERLANDS. The Dutch Constitution provides that the seat of the government shall never leave Holland. Queen Wilhelmina, the constitutional monarch of The Netherlands, has reconciled this provision with her present necessity by ruling that the Dutch government has taken "temporary headquarters" in London. At the head of the Cabinet of 14 Ministers in London is the leader of the Anti-Revolutionary (conservative Protestant) party, P. S. Gerbrandy, who is also Minister for the Coordination of Warfare.

NORWAY. Norway had a Labor government from 1935, when Johan Nygaardsvold became Prime Minister, until the German invasion in April 1940. At that time the *Storting* decided to give the government a broader national basis by adding to the Cabinet of 11 members three representatives of the other main parties. Norway's constitutional monarch, King Haakon VII, and the government left Norway on June 7, 1940, when the Allied forces withdrew from the country.

POLAND. The Polish Constitution of 1935 provides that the President can nominate his successor in case of emergency. When the invasion of Poland began on September 1, 1939, therefore, President Ignacy Moscicki nominated Marshal Eduard Smigly-Rydz, the national political leader, as his successor. Then, lest both he and Smigly-Rydz be unable to act as free agents, Moscicki named as his second appointee Wladyslaw Raczkiewicz, former Speaker of the Senate. On September 30, when Moscicki and Smigly-Rydz were interned in Rumania, the President resigned his post and Raczkiewicz at once took over the office in Paris and appointed General Wladyslaw Sikorski, who was laying the foundations for a Polish Army in France, both as Commander-in-Chief and Premier. Nine more representatives of the four largest Polish parties were subsequently appointed to the Cabinet.

YUGOSLAVIA. Yugoslavia was under a Regency Council from the assassination of King Alexander in Marseilles in 1934 until "the bloodless revolution" of March 25-26, 1941, staged by opponents of the government's adherence to the Axis. General Dushan Simkovitch, who had taken part in the *coup d'état*, became Premier, and the royal power was placed in the hands of 17-year-old Peter II, son of King Alexander. Less than two weeks after these political changes had taken place, Yugoslavia was invaded by German forces and King Peter and his government were forced to flee. The top-ranking positions in the Cabinet were reorganized in January 1942, and Dr. Slobodan Yovanovitch, a liberal and a student of British political institutions, became Premier.

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FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT NEW YORK, NEW YORK

NY FILE NO. 65-11984 HH

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
NEW YORK, NEW YORK	12/4/42	11/16,23/42	

TITLE	CHARACTER OF CASE
FOREIGN POLICY ASSOCIATION, INCORPORATED	ESPIONAGE

SYNOPSIS OF FACTS: According to information obtained at library of FOREIGN POLICY ASSOCIATION, INC., subject organization was founded 1918 as non-partisan, non-commercial organization to increase interest and understanding of American citizens in international affairs. National headquarters located 22 E. 38 St., NYC; 19 branch offices maintained in other cities of US. FOREIGN POLICY bulletins published weekly presenting factual analysis of latest national and international news. Headline books published six times a year which present discussion of significant international developments. FOREIGN POLICY reports published semi-monthly showing analysis of current international problems. Public discussions held periodically in NY and branch cities, by well-known speakers. No evidence subject organization engaged in subversive activities.

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REFERENCE: (Bureau file 61-7802)
Bureau letter to New York dated 10/1/42.

DETAILS: At New York, New York

This report is predicated on an intercept received by the Bureau from Confidential Informant T-1, dated June 4, 1942, directed to IGNACIO GARCIA TELLEZ, Hamburgo 248, Mexico, D. F., from the FOREIGN POLICY ASSOCIATION, INCORPORATED, 22 East 38th Street,

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NY file 65-11984

New York City.

The following information was obtained from the library of subject organization at 22 East 38th Street, New York City:

The FOREIGN POLICY ASSOCIATION, INCORPORATED is a non-partisan, non-commercial organization, founded in 1918 to increase interest and understanding of American citizens in international affairs. The association publishes that it was organized for educational purposes and not for propaganda; that its national headquarters are located at 22 East 38th Street, New York City, with branch offices maintained in nineteen other cities in the United States.

The following officers in the organization's various bureaus are:

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William T. Stone, Vice-President
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Dorothy F. Leet, Secretary
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The backbone of the educational work of the FOREIGN POLICY ASSOCIATION is its Research Department composed of highly qualified experts in international affairs. Members of the Department have at their command a wealth of information acquired through study, travel and frequent visits to Washington for contact with Congress, government departments and foreign embassies maintained by the ASSOCIATION's Washington Bureau.

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NY file 65-11984

Public discussions are held periodically by subject organization in New York and the branch cities, and problems of international affairs are discussed by well-known speakers. The 1941-1942 list of speakers included: HERBERT L. MATTHEWS, WILLIAM L. BATT, MAJOR GEORGE FIELDING ELLIOT, RALPH ASSHETON, MRS. FRANKLIN D. ROOSEVELT, BJARNE BRAATOY, HANSON BALDWIN, HENRY R. LUCE. At these meetings the audience is always given an opportunity to question speakers and student forums are usually held in connection with each meeting.

PUBLICATIONS

FOREIGN POLICY bulletins are published weekly, presenting a brief, factual analysis of the latest national and international news.

Headline books are published six times a year, presenting discussions of significant international developments. Recent titles include such books as "Russia at War", "Germany at War", "Overseas America". A copy of the latter book is being forwarded to the Bureau as an enclosure with this report.

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Regular membership dues are five dollars, which include receiving the weekly Foreign Policy Bulletin and Washington News Letter and Headline Books. Associate membership dues are three dollars annually, open to teachers, full-time students, librarians, social workers, clergy and employee groups of ten or more. Cooperating membership dues are ten dollars; contributing membership, twenty-five dollars; and sustaining membership, one hundred dollars.

At the library of the FOREIGN POLICY ASSOCIATION, INCORPORATED, the writer reviewed several bulletins and periodicals published by this organization, and there is no evidence that it is engaged in any subversive activities.

ENCLOSURES FOR THE BUREAU

1. One copy "Overseas America";
2. Two Foreign Policy Report leaflets;
3. One Foreign Policy Bulletin;
4. List of Foreign Policy publications on Latin America;
5. Three leaflets pertaining to the organization and membership.

- C L O S E D -

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NY file 65-11984

IDENTITY OF CONFIDENTIAL INFORMANT

Confidential Informant T-1 mentioned in the report of Special Agent [redacted], dated December 4, 1942, at New York, New York, is:

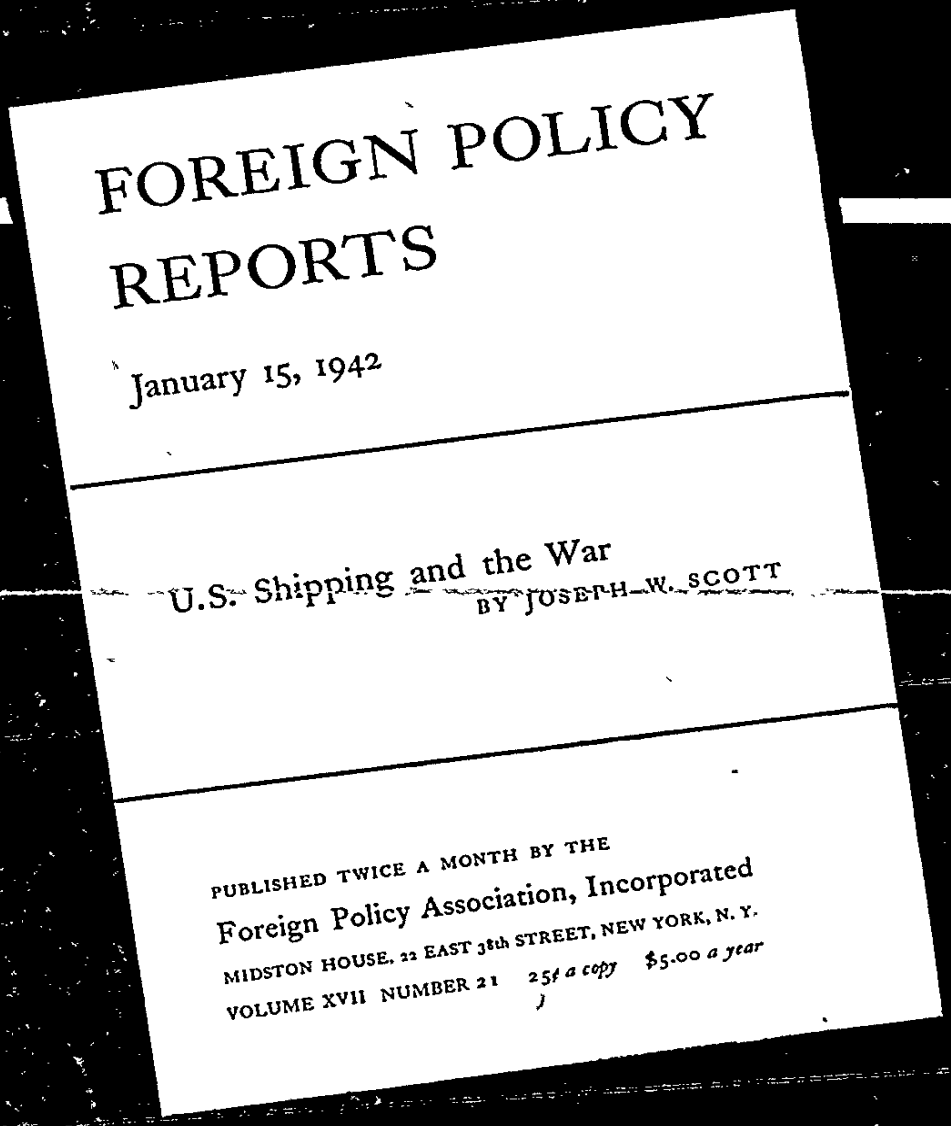
OFFICE OF CENSORSHIP OF THE UNITED STATES.

8 Enclosures for Bureau
NY file 65-11984

ENCLOSURE 61-7102-8

Reporting . . .

AMERICA AT WAR



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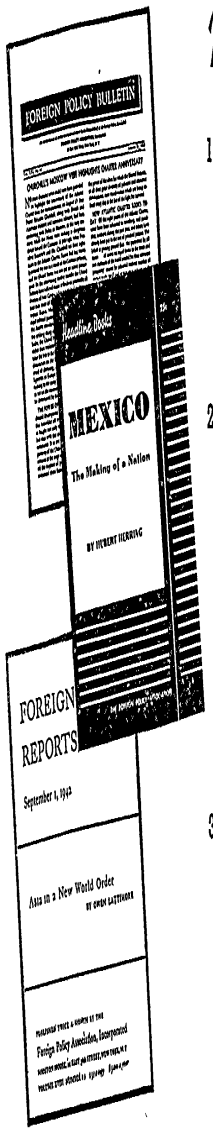

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VOL. XXII, No. 4 NOVEMBER 13, 1942

AFRICAN OFFENSIVES OPEN "SIDE DOOR" TO GERMANY

AS the war in Europe enters its fourth winter, the Allied offensive in North Africa appears on the point of breaking the deadlock Hitler had hoped to create. On November 7, while General Montgomery was forcing the remnants of Rommel's shattered army toward the Libyan border, strong American forces suddenly landed at key points along the 1600-mile coastline of French Morocco and Algeria. Supported by Allied naval units, American landing parties under the supreme command of General Dwight D. Eisenhower gained strategic footholds on the North African coast from Agadir on the Atlantic to Algiers on the Mediterranean. An extension of these positions eastward into Tunisia to effect a junction with British forces driving westward through Libya appears to be developing.

This Allied offensive against French territory was made necessary by the refusal of France's military leaders in June 1940 to continue the fight against the Nazis from their North African bases. It was ultimately made possible both by the British decision in July 1940 to strip Britain of desperately needed troops to strengthen the defenses of Egypt, and by Hitler's even more fateful decision just a year later to destroy Russia's military power before he had gained control of the whole of North Africa and the Near East.

This great amphibious undertaking depended for full success on the victory gained over Rommel by brilliant coordination of superior Allied air, land and sea power under General Alexander and General Montgomery. Thus, the American offensive, carefully timed to coincide with that of the British, can be viewed as the second phase of a single Allied move aimed at the reconquest of a vital position lost to the anti-Axis forces by the collapse of France in 1940. But it is clearly more than that. It is also part of a grand strategy which envisages the encircling of German Europe by control of its most exposed flank. All reports from General Eisenhower's headquarters suggest that Vichy's resistance in North Africa is not likely to be sustained and that the second phase of the Allied offensive may be even more rapidly realized than the first. President Roosevelt's declaration to the French people that the Allies are waging a war of liberation, not of conquest, will undoubtedly facilitate military operations by increasing support for General Giraud, who took command of pro-Allied French forces in North Africa on November 9.

SHORTENING OF SUPPLY ROUTES. The most obvious advantage to be expected from the successful conclusion of this pincers attack is the opening of the Mediterranean to Allied shipping. Supply routes to the Middle East, Russia and India would be shortened by from seven to ten thousand miles. Even if Crete were not wrested from the Nazis, Allied air and naval forces operating from bases on the North African coast should be able to keep the Mediterranean open its full length. Even more important prospects are unfolded with respect to both the bombing of strategic objectives in Italy and the Balkans and the establishment of a land front on the Mediterranean coast of Europe. Landings in Yugoslavia, Italy and southern France should not be dismissed from a reckoning of the new situation.

Whether or not any of these developments materialize in the coming months, their very potentiality constitutes a threat which must impose a heavy strain on Nazi resources of men and material. The prospect of invasion is bound to heighten tension in Italy, and may possibly precipitate domestic clashes which would necessitate an increase in German occupation troops. French reaction is not yet altogether clear, but the Nazis may feel compelled to take over the whole of unoccupied France. A Nazi move into Spain also appears possible. Repercussions from this latest Allied move will be felt at the other end of the Medi-

terranean as well, where Turkey will be even more determined to resist Axis aggression. While there is no reason to contemplate a large-scale withdrawal of German troops from the Russian front, Hitler will have to divert considerable air strength and possibly some mechanized forces either from the East or northern France to meet the new threats from the south. It would be dangerous to assume that Hitler has been caught napping, but his threat of November 8 that he would strike a counterblow in answer to the American action can hardly be fulfilled in the Mediterranean region without weakening the German position on some other front.

NEW PHASE OF WAR OPENED. Whatever move Hitler may make, it seems clear that the present Allied offensive, taken in conjunction with the fact that the Russian armies have now halted the Nazis from Murmansk to the Caucasus, marks a new and decisive stage in the war against the western Axis partners. Action in Africa can hardly be called the "second front," but it may well lead to a second front—in southern rather than western Europe. Popular support of a strategy that would force Hitler into a two-front war in Europe, dreaded by Germany since the time of Bismarck, should not blind us to the possibility that the Allies, in this war, may turn to other patterns than simply a frontal attack on Germany through western Europe. Taking advantage of the lessons learned at tremendous cost on the Western Front in the last war, and of the freedom of movement afforded them by their command of the seas, the Allies may plan a three-front or even a four-front war against Germany. With the Russian armies still holding the bulk of German strength in the East, an attack on Hitler's exposed southern flank may prove to be but the first of several fronts to be opened in western and northern Europe, as well as in the Mediterranean. Undue optimism at this point is unwarranted, but continued Russian resistance and further Anglo-American offensives hold the promise of a gradually unfolding pattern of victory.

HOWARD P. WHIDDEN, JR.

STALIN'S SPEECH CLEARS INTERNATIONAL ATMOSPHERE

British victories in Egypt and invasion of French North Africa by American forces have been hailed in Moscow not as the equivalent of a second front—since they do not constitute a direct blow at Germany and therefore offer no immediate relief to the Russians—but as the harbinger of an Allied offensive against the Axis in the Mediterranean theatre of war. For the Russians realize that Allied command of the Mediterranean would, as Vice President Wallace said to the Congress of American-Soviet Friendship on November 7, open "the shortest possible supply route to southern Russia," and thus link the Battle for the Atlantic with the Battle for the Caucasus.

GERMAN THREAT TO CAUCASUS. From the Russian point of view, the most important move that the Allies could undertake at this moment would be a diversion of German land forces from the eastern front—a diversion the operations in Africa cannot provide, if only because it would be physically difficult for Hitler to transport large forces across the Mediterranean at the present juncture. For the time being, therefore, the Russians, as Stalin pointed out in his November 7 address to the Moscow Soviet on the twenty-fifth anniversary of the Bolshevik revolution, must continue to wrestle with some 200 German divisions—a far more formidable force than that put in the field against Russia by Napoleon, or even by Kaiser Wilhelm.

Nor has the danger threatening Russia been averted by the stubborn resistance of Stalingrad's defenders. While all eyes have been focused on that key city, the Germans have made rapid advances in the area of the Caucasus. The capture of Nalchik and Alagir brought the Germans to the northern end of the Ossetian Military Highway, within reach of the Georgian Military Highway—the one road across the Caucasus that remains open a considerable part of the winter. The main object of the Germans in this theatre now is to block access by the Russians to the oilfields of Baku—even if the Germans themselves should not succeed in making use of Russia's oil.

Yet the Russians, undaunted by over a year of bitter warfare and by the innumerable political and economic adjustments that war has made necessary, have won three important advantages. In spite of serious losses of man power, territory and resources, they have preserved the cadres of their army, whose annihilation has been proclaimed again and again by Nazi propagandists since October 1941; they have prevented the Germans from reaching Astrakhan, and have maintained their supply line across the northern Caspian; and they have forced the Nazis to continue the struggle into a second winter without a clear-cut decision. The question now uppermost

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is whether the Russians can turn the tables on the Germans and launch a counteroffensive—if not this winter, at least next spring, when the Allies would presumably have succeeded in dislodging the Axis powers from the periphery of Europe.

STALIN LOOKS TO FUTURE. Observers recently returned from the Soviet Union believe that the Russians have the men, the morale, and the indomitable will necessary for a counteroffensive but have hitherto been skeptical of the eventual purposes of Britain and the United States. This skepticism, nourished by memories of Munich, has been dispelled not only by the Anglo-American offensives in Africa but also by Stalin's forthright speech of November 7, which has noticeably cleared the international atmosphere, recently clouded by controversies about the second front and the punishment of Rudolf Hess.

While Stalin minced no words about the necessity of opening another front on the European continent, he confidently predicted that there will be a second front "sooner or later . . . not only because we need it, but, above all, because our Allies need it no less than we do." Far more important for the future course of the war and the fate of post-war reconstruction, he unreservedly associated the cause of the U.S.S.R. with that of Britain and the United States, contrasting the "program of action" of the United Nations with that of the "Italo-German coalition." In contrast to the Axis program of racial inequality, subjugation and exploitation, Stalin declared, the Anglo-Soviet-American program provides for "abolition of racial exclusiveness, equality of nations and integrity of their territories, liberation of enslaved nations and restoration of their sovereign rights, the right of every nation to arrange its affairs as it wishes, economic aid to nations that have suffered and assistance to them in attaining their material welfare, restoration of democratic liberties, [and] the destruction of the Hitlerite régime." Recognizing the differences that exist in the ideologies and social systems of Britain, Russia and the United States, Stalin asserted that these differences do not preclude "the possibility and expediency of joint action" on the part of members of this coalition against the common enemy. On the contrary, the events of the past year, notably Molotov's visits to London and Washington and the conclusion of the 20-year Anglo-Soviet alliance, indicate growing rapprochement between the three countries, and consolidation of their "fighting alliance" for victory in this "great war of liberation."

It is noteworthy that, in outlining the three principal aims of the United Nations—destruction of the "Hitlerite state and its inspirers," of "Hitler's army and its leaders," and of the "hated new order in Europe" accompanied by punishment of "its builders"—Stalin made no threats of wholesale revenge against the German people. On the contrary, he clearly stated that "it is not our aim to destroy Germany, for it is impossible to destroy Germany, just as it is impossible to destroy Russia." This realistic statement is perhaps the best answer yet given by United Nations leaders to the main point now stressed by Nazi propagandists—and again by Hitler in his Munich speech of November 8—that the Germans must continue the struggle to the bitter end because they know "the fate that would befall us should the other world be victorious." It is essential, for a lasting Allied victory, that the military offensive now being developed in Africa should be accompanied by an equally vigorous and imaginative psychological offensive to drive a wedge between the Nazis and the German people, and prepare the German people for participation in the tasks and responsibilities of post-war reconstruction.

VERA MICHELES DEAN

Survey of British Commonwealth Affairs, Vol. II, *Problems of Economic Policy, 1918-1939*, Part II, by W. K. Hancock. London, Oxford University Press, 1942. $5.00

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A personal narrative of the mistakes and misconceptions of the interwar years by a man who was on the inside of the Geneva experiment and is now British Minister in Washington in charge of British Information Services. The author reveals that the peace was lost largely because the collective method of security was never tried, and explains, in part at least, why.

Our India, by Minoo Masani. New York, Oxford University Press, 1942. $1.75

Fascinating account of the resources, geography, agriculture and daily life of India as well as the possibilities of improvement. Although written for children, it will prove extremely instructive for adults.

Wings of Defense, by Captain Burr W. Leyson. New York, Dutton, 1942. $2.50

Although its specific facts were beginning to be outmoded even before publication, this book contains a good popular account of the United States' system of aerial warfare, with much interesting material on certain types of planes. Some quarters will disagree with the author's contention that dive bombing is no longer an effective weapon in land warfare.

FOREIGN POLICY BULLETIN. Vol. XXII, No. 4, NOVEMBER 13, 1942. Published weekly by the Foreign Policy Association, Incorporated. National Headquarters, 22 East 38th Street, New York, N. Y. FRANK ROSS MCCOY, *President;* DOROTHY F. LEET, *Secretary;* VERA MICHELES DEAN, *Editor.* Entered as second-class matter December 2, 1921, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Three Dollars a Year. Please allow at least one month for change of address on membership publications.

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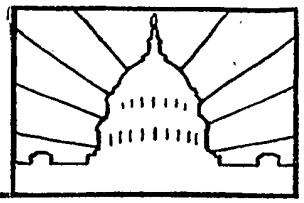
Washington News Letter



Nov. 9.—The current Anglo-American offensive in French North Africa is subjecting the traditional friendship between the United States and France to the greatest strain in its 164 years of existence. For the first time since the undeclared naval war of 1798, American and Frenchmen are fighting and killing one another. The Vichy government that *de jure* speaks in the name of France broke relations with the United States in consequence on November 8.

The battle that the United States has opened by its invasion of North Africa is diplomatic as well as military. The hearts of the French people must be conquered no less than the ports and airfields of North Africa. Propaganda is as vital in this campaign as tanks and airplanes.

THE PROPAGANDA FRONT. This fear is not as idle as it may seem to many Americans. Pierre Laval's opposition to the American enterprise may be discounted, but Marshal Pétain's prestige in France is still great, and he has rejected President Roosevelt's explanations with "stupor and sadness." The Germans control the instruments of propaganda in three-fifths of France and, in the rest of the country, the tools of publicity are in the hands of the Vichy Propaganda Minister, Paul Marion. For months this pro-Nazi agent has been hammering at the French people by press and radio that the Anglo-Americans are out to despoil France of its empire.

President Roosevelt, with his customary flair, has grasped the vital importance of the psychological aspect of the North African campaign. While the Rangers were landing on the coast on November 7, he sent a message to Pétain and, at the same time, broadcast in French to the French people assuring them that the United States had no designs on their colonial possessions and that the ultimate object of the offensive was liberation of France from the Nazi yoke. Assurances were also sent by the President to General Francisco Franco, Spanish Chief of State, and to General Antonio Carmona, President of Portugal, that the American operations were not directed against those countries or their colonies.

And when Laval broke relations with the United States President Roosevelt, after expressing "regret" for this act, added in his message of November 9, "we have not broken relations with the French. We never will." Desire to avoid offending the susceptibilities of the French people by seeming to impose a government on them without their consent is probably the reason the United States is not for the time being, as Mr. Hull said on the same day, extending diplomatic recognition to General Charles de Gaulle's Fighting French movement.

The announcement by General Dwight L. Eisenhower, Commander of the Allied Forces in North Africa, that General Henri Giraud has arrived in Algeria "to organize the French armies again to take up the fight" is of the utmost importance in the effort to win the support of the French people. General Giraud, who was captured by the Germans near Sedan in May 1940, is regarded by the French as one of their ablest military leaders, and his spectacular escape from the German prison at Koenigstein this spring has enhanced his already great popularity.

END OF AN EXPERIMENT. The break with Vichy marks the end of a policy that the State Department has tenaciously pursued for more than two years despite its manifest unpopularity. Thanks to this course, the State Department has succeeded, as Mr. Hull pointed out at his press conference on November 8, in keeping the French fleet from falling into the hands of the Axis. At the same time it was enabled to maintain consular agents in North Africa and to receive first-hand information as to what was going on in that strategically vital territory. The larger purpose of winning over Marshal Pétain's government to the side of the United Nations, however, was not achieved.

With the entrance of the United States into the war on December 7, 1941, it was evident that sooner or later Vichy would have to climb down from the fence on which it was perched waiting to see which side would be the ultimate victor. The return of Laval to power last April was a clear indication that, when it came to a showdown, Vichy would opt for the Axis. Relations between the United States and Vichy steadily deteriorated after that disastrous development until they became only a "fiction," as Mr. Hull aptly called them.

Rupture of diplomatic ties with the United States may be the beginning of the end for the Vichy régime. If the United Nations obtain control of the entire North African littoral, an invasion of Europe through southern France becomes a military possibility. The Nazis will almost certainly be obliged to face this eventuality by fortifying the French Mediterranean coast. German occupation of all France would probably be followed by liquidation of the Pétain government, and installation of a Nazi puppet régime headed by Jacques Doriot. JOHN ELLIOTT

FOR VICTORY • BUY UNITED STATES WAR BONDS

JIWaller:rb

June 25, 1943

FOREIGN POLICY ASSOCIATION

BACKGROUND, AIMS AND OFFICERS

In a folder printed by the Foreign Policy Association the aim of that asssociation was stated as being a non-partisan, non-commercial organization founded in 1918 to increase the interest and understanding of international affairs. The folder also stated that the association had a prominent staff of research experts; that it had a main office in New York and seventeen branch organizations in seventeen cities in the United States where frequent public meetings presented outstanding authorities in informative discussions of international news of the day.

The following quotation was secured from the constitution of the above organization:

"The object of the foreign policy organization is to carry on research in educational activities to aid in the understanding and instructive development of American foreign policy." (62-844-14)

In November, 1942, the national officers of the organization were:

Frank Ross McCoy	- President
William T. Stone	- Vice President
Sherman S. Hayden	- Assistant to the President
Dorothy F. Leet	- Secretary
William A. Eldridge	- Treasurer
Carolyn Martin	- Assistant Treasurer (61-7802-8)

COMMENTS CONCERNING ASSOCIATION, ACTIVITIES AND AFFILIATIONS

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Harbo
Mr. Hendon
Mr. McGuire
Mr. Mumford
Mr. Piper
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

Information received in 1922 disclosed that the Foreign Policy Association was a continuation of the League of Free Nations, which was reportedly pro-Soviet. (62-884-86)

It was confidentially reported in January, 1927 that this association was sponsored in its inception by the American Civil Liberties Union and at that time favored recognition of Soviet Russia.

RECORDED & INDEXED 61-7802-10

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One source stated that the Foreign Policy Association could not be understood without a background of the American Civil Liberties crowd which "got it up." (100-148354-1)

In addition to the above, the Foreign Policy Association was reported named in the "Congressional Exposure of Radicals" as one of the organizations

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interlocked by membership with the American Civil Liberties Union that "played into the hands of the Communists." (100-148354-1)

In June, 1927, a source in Europe advised that this association was considered pro-Russian in its views and propaganda. (61-6286-1)

A confidential source in March, 1937, reported a newly formed Communist Party "united front" organization, namely, the Cooperative Committee on Publications located in New York City. This committee was formed ostensibly to distribute peace literature. The Foreign Policy Association was one of the organizations who allegedly jointly financed the Cooperative Committee on Publications. (61-7566-260)

A confidential source in June, 1937, advised that an employee of the Foreign Policy Association said that an important part of the strategy of a recent peace strike had been worked out at the Foreign Policy Association office. This employee allegedly stated that she had acted unofficially because she could not work openly for something so obviously directed by the Communist Party. (61-7566-419)

Information was received in March, 1938, to the effect that the Foreign Policy Association Student Department was a consultant on educational material for the American Youth Congress according to a pamphlet issued by the latter organization entitled "Youth Pilgrimage for Jobs and Education," which pilgrimage was to be held in Washington, D. C., on March 10 - 12, 1938. The American Youth Congress was the center of cooperation through which numerous organizations participated in what was known as the "pilgrimage." It was stated that many of the so-called liberal or reportedly Communistic organizations were interested in this movement. (61-7566-888X3)

An article entitled "Soviet-Japanese Peace Aids United Nations," was printed in the Daily Worker for April 12, 1943. This was a reprint from an article of similar title which appeared in the Foreign Policy Bulletin for April 9, 1943. This news item discussed the Soviet-Japanese treaty regulating Japanese fishing in Siberian waters, which was renewed on March 25, 1943, and expounded the benefits to the United Nations which would be forthcoming as a result of this renewal. (100-148354)

KRM:hr

Date: September 11, 1943

To: SAC, New York City

From: J. Edgar Hoover - Director, Federal Bureau of Investigation

Subject: FOREIGN POLICY BULLETIN
INFORMATION CONCERNING

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FOREIGN POLICY REPORTS

September 15, 1943

Agricultural Cooperation in the Americas

BY ERNEST S. HEDIGER

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BRIEFING

Agricultural Cooperation in the Americas*

By Ernest S. Hediger

THE sudden disruption of long-established patterns in international trade with the outbreak of World War II has drastically changed the economic life of the American nations. For several decades these countries had relied on distant parts of the earth, especially Asia, for their supply of such vitally important products as rubber, tin, Manila fiber, quinine and other drugs, and vegetable oils, to mention only a few. While most of these products could have been developed in the Western Hemisphere, lower labor and production costs in the Far East, as well as the better technological orientation of that area, made it more advantageous to import them. One of the main purposes of the program sponsored by the Office of Foreign Agricultural Relations in Latin America is to help overcome these handicaps.

Since many of the products that needed to be replaced are agricultural, their increased development naturally fostered the growth of agricultural cooperation between the United States and the Latin American republics. During the past three years a number of agreements designed to introduce or expand production in the Americas of commodities formerly imported from the Far East have been concluded with Latin American authorities and corporations under the auspices of various United States agencies. Their implementation has woven a new fabric of inter-American cooperation which is daily increasing in scope and strength, and covers a range of activities from trade, industry, finance, and transportation to agriculture, sanitation, public health, and education. In all these fields North American government agents, businessmen and experts are collaborating with their colleagues of the other Americas in an unprecedented effort to expand the production and marketing of Latin American goods, an effort buttressed and made possible only by large-scale financial and technical help from the United States.

RUBBER: THE NUMBER ONE PROBLEM

Paramount among the raw materials needed by the Allies in their world-wide war effort is natural rubber, previously imported almost entirely from British Malaya and the Netherlands Indies. With the loss of these sources—except for smaller plantations in Ceylon and India—the tapping of the rubber resources of the Americas, birthplace of *Hevea brasiliensis,* the most profitable of all rubber-yielding plants,[1] became a wartime necessity.

The problem of developing American natural rubber resources was attacked from two angles: immediate tapping of existing mature wild trees, and long-term establishment of rubber plantations in favorable areas of the Western Hemisphere. The most important from the point of view of prosecution of the war is the exploitation of wild rubber. Since it takes from five to ten years for a rubber tree to bear, the creation of new plantations must be considered from the point of view of post-war reconstruction rather than that of meeting pressing needs.

Under these circumstances, it is natural that the bulk of the Allied effort should be applied to the exploitation of hitherto untouched wild rubber trees, of which millions exist in tropical America, rather than to the planning of new plantations. It is natural, too, that the United States, as the world's greatest peacetime consumer of rubber and the "arsenal of democracy" in this war, should be the nation most directly interested in developing the rubber resources of the Western Hemisphere.[2]

* This report examines only the most recent trends of inter-American collaboration in the field of agriculture, and is intended to complement information already given in previous Foreign Policy Reports: L. E. Frechtling, "Replacement of Strategic Materials Lost in Asia," June 15, 1942; D. H. Popper, "Hemisphere Solidarity in the War Crisis," May 15, 1942; J. C. deWilde, "Economic Projects for Hemisphere Development," March 1, 1942, and "Wartime Economic Cooperation in the Americas," February 15, 1942; and A. R. Elliott, "The Resources and Trade of Central America," September 1, 1941.

1. The principal varieties of commercially used rubber trees in America are Hevea, Castilla—often misspelled Castilloa—Manicoba and Mangabeira, to which a rubber-bearing shrub, Guayule, must be added.

2. Merely to buy the normal output of American wild rubber would not noticeably have helped the Allied war effort. Before World War II, Latin American rubber production was small and did not suffice to cover even the needs of the producing countries. The production of Brazil was about 18,000 tons a year; that of Mexico about 5,000 tons; Ecuador, 1,500 tons; Bolivia, 1,000 tons; and other countries, 500 tons or less. At the time, these countries consumed some 30,000 tons of rubber goods annually, about two-thirds of which were manufactured locally. E. S. Holt, "The Inter-American Rubber Agreements," *Arbitration in Action* (New York), April-May 1943, p. 17.

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Soon after Pearl Harbor the United States concluded agreements with fifteen Latin American countries to develop rubber production in tropical America under joint control.[3] The most important of these agreements, and also the first to be signed, was the one concluded by Brazil with the U.S. Rubber Development Corporation, a subsidiary of the Reconstruction Finance Corporation. Agreements were subsequently effected with fourteen other countries or colonies in the Americas,[4] according to which the U.S. Rubber Development Corporation pledges itself (1) to purchase all rubber offered by the contracting countries until December 31, 1946; (2) to stimulate development of rubber production in these countries by liberal term loans, technical assistance, and the provision of needed supplies and equipment; and (3) to ship in exchange a minimum amount, stipulated in each agreement, of rubber goods for the maintenance of transportation, industrial activity and health.

DEVELOPMENT OF THE AMAZON BASIN

Chief in importance among the various wild-rubber tapping projects undertaken in Latin America with the financial and technical aid of the United States is that of the Amazon Valley, for which a fund of $5,000,000, to be used in collaboration with Brazilian government agencies, has been set aside by the Rubber Reserve Company.[5]

At the beginning of this century, the Amazon region was the world's chief source of rubber, producing annually from 40,000 to 50,000 tons from wild trees. The present emergency program foresees a production of some 70,000 tons in 1944, when the work will be in full swing. This goal sets a tremendous task for, before the scattered trees can be tapped, trails must be cut in the jungle, and transportation, housing, food and sanitation provided for the workers needed in this huge, sparsely settled,[6] and malaria-infested territory. Under such circumstances, the opening of the Amazon Basin, involving the joint efforts and collaboration of the United States and five South American countries—Brazil, Bolivia, Colombia, Ecuador and Peru—represents one of man's greatest achievements.[7]

As was the case with the building of the Panama Canal, sanitation is the prime requisite for economic development, and to create bearable living conditions in these torrid, fever-ridden lands, a herculean task of sanitation and colonization must first be accomplished. This program is already well under way in the Amazon Basin. As a result of the combined efforts of the six above-mentioned American countries, all of which contributed funds, doctors, sanitary engineers, workers, and materials to the task, a territory of more than 2,000,000 square miles is gradually being opened to civilization. Beginning with the construction of a chain of medical centers from the mouth of the Amazon on the Atlantic deep into the lowland forests on the eastern slopes of the Bolivian, Peruvian, Ecuadorian and Colombian Andes, this program provides for the establishment of means of communication, including the building of a dozen airfields, the setting up of housing facilities, stores, etc., for the 100,000 rubber workers who, according to the United States-Brazilian agreements, are to be recruited in other parts of Brazil and settled in the Amazon Basin by 1944.

Execution of the Amazon health and sanitation program has been placed under the general direction of a United States citizen, Dr. George M. Saunders of the Washington Institute of Inter-American Affairs. Early in 1942 Dr. Saunders and his aides went to Brazil to establish contact with local and national health authorities and, since their arrival, the Amazon Health Mission has opened some twenty medical posts in strategically located places. Powerful air transports are now bringing doctors, supplies and medicines to previously inaccessible parts of the Amazon Basin, and locally constructed hospital launches ply up and down the great river and its tributaries, giving medical aid to the rubber workers and their families. It is expected that by the end of 1943 fifty infirmaries will be in operation in the Brazilian section of the Amazon territory alone.

The other countries of the Amazon Basin have concluded with the United States arrangements similar to that of Brazil, although narrower in scope. The government of Peru, on April 23, 1942, signed agreements for joint development of its resources of strategic materials essential for hemisphere security. Included in these arrangements was the establishment, with the help of a $1,125,000-fund made available by the U.S. Rubber Reserve Company, of a Peruvian-Amazon Corporation to develop the production and encourage the collection of wild rubber and other tropical products of

3. In May 1941, previous to these agreements, a contract under which all the exportable surplus of Brazilian rubber was earmarked for sale to the U. S. Reconstruction Finance Corporation was signed by Brazil and the United States.

4. Bolivia, Colombia, Costa Rica, Ecuador, Guatemala, British Guiana, Honduras, British Honduras, Mexico, Nicaragua, Panama, El Salvador, Trinidad and Venezuela.

5. For a brief study of the U.S.-Brazilian agreements of March 3, 1942 which also cover the rubber program, see D. H. Popper, "U.S. Brazilian Economic Accords," *Foreign Policy Reports*, March 1, 1942, p. 307.

6. For instance, the Brazilian state of Amazonas, three times as large as Texas, has a population of only 450,000 inhabitants, or about two per square mile, including cities.

7. Much of the factual information in this section is taken from "Battle of the Amazon," by John C. McClintock, *Foreign Commerce Weekly*, July 3, 1943, p. 3.

importance to the Allied war effort.[8] In Ecuador the National Development Corporation,[9] established in 1942 to foster the development of all possible sources of national wealth and financed through an Export-Import Bank loan of $5,000,000,[10] is studying, in cooperation with the U.S. Department of Agriculture, a scheme destined to stimulate greater collection of wild rubber by inhabitants of the country's rubber-producing areas. One of the features of the scheme is the establishment in these areas of trading posts stocked with foodstuffs, clothing and other articles available in Ecuador and supplemented by merchandise from the United States, which would serve as centers for the procurement of rubber.[11]

LONG-RANGE RUBBER DEVELOPMENT

The wild rubber-tree tapping program will probably be largely abandoned as soon as cheaper plantation rubber again becomes available. This does not mean, however, that the Western Hemisphere will once more lose its importance as a rubber producer. So much progress has been made in rubber-tree pathology, treatment and improvement that a commercially sound and profitable exploitation of selected, high-yield rubber-tree plantations in the American tropics appears possible after the war, even in the face of resumed Asiatic competition.[12]

Preparatory work for large-scale rehabilitation of American rubber plantations began on June 22, 1940, when the United States Congress approved a $500,000-appropriation. Immediately following this decision, the U.S. Department of Agriculture sent survey parties to investigate sites for rubber production and aid in establishing experimental rubber stations in Latin America. High-yielding seeds and clones imported from the East Indies were planted under its supervision in various parts of the Western Hemisphere. At the time of Japan's attack on Pearl Harbor, over ten million rubber-tree seeds had already been planted as part of this cooperative program, and a shipment of 5,500 budded rubber trees from the Philippines reached American shores soon afterward. Today, U.S. Department of Agriculture experts cooperate with the government agencies and private industry of most Latin American countries in order to increase the number of demonstration plantations, and small farmers all over tropical America are encouraged and helped to grow rubber.[13]

In Mexico the remnants of two old plantations of Hevea trees have again been put to work. Both are of great value as producers of seed for high-yielding plants, and one has a nursery in which over a million first-quality trees are being grown for future Mexican plantations. It is expected that these trees will give three to four times the quantity of latex produced by plants whose seeds have not been carefully selected. An agreement signed by the Mexican and United States Secretaries of Agriculture on July 14, 1943, during the Second Inter-American Conference on Agriculture,[14] provides for the establishment of five demonstration plantations of Hevea rubber of not less than 300 hectares each (about 750 acres). A joint committee from the two governments is to select the lands, and the plants will be supplied from present cooperative rubber production stations in tropical America. When the trees are fully mature, in some eight to ten years, they will produce from 800 to 1,200 pounds of latex annually per acre. Smaller quantities will be available after five to six years.

In Honduras a 500-acre nursery has been established in San Alejo, for which the U.S. Department of Agriculture furnished the seedlings as well as the services of specialists. In Guatemala twenty-five nurseries are being developed in connection with private haciendas, most of them plantations striving to free themselves from exclusive reliance on coffee. In Costa Rica the central experimental station,

8. *Bulletin of the Pan American Union* (Washington, D. C.), June 1942, p. 355.

9. One of the twenty-one national commissions set up in connection with the Inter-American Development Commission of Washington, D. C. This agency was constituted in November 1939 by the Inter-American Financial and Economic Advisory Committee created in September 1939 at the Panama Meeting of the Ministers of Foreign Affairs of the American Republics.
The central Inter-American Development Commission gradually organized affiliated development commissions, composed of 5 to 7 citizens prominent in financial, industrial and engineering circles. The first of these national groups to be established was the Brazilian Development Commission; the last—in January 1943—the United States Commission. For a detailed description of their aims and achievements, see "Descriptive Memorandum," Inter-American Development Commission, (Washington, D. C.), July 1, 1943 (mimeographed).

10. For a study of these loans, see "Export-Import Bank Loans to Latin America," *Foreign Policy Reports*, June 15, 1941.

11. For description of an earlier cooperative rubber development project, the Société Haïtiano-Américaine de Développement Agricole (SHADA) in Haiti, see deWilde, "Economic Projects for Hemisphere Development," cited; also *Bulletin of the Pan American Union*, February 1942, p. 66.

12. Dr. Earle N. Bressman, Director of the Inter-American Institute of Agricultural Sciences at Turrialba, Costa Rica, for instance, recently declared that, given the opportunity of cultivating high-yield and disease-resistant varieties, American planters could produce natural rubber for as little as 5 to 6 cents a pound and thus face any competition. Inter-American Development Commission, *Bulletin No. 57*, July 1943 (in Spanish). For a description of the U.S. Department of Agriculture's extensive long-term program for development of rubber plantations in the Western Hemisphere and the problems it raises for the post-war world, see deWilde, "Economic Projects for Hemisphere Development," cited, p. 300.

13. W. D. Rasmussen, "Agriculture in War," *Agriculture in the Americas* (U.S. Department of Agriculture, Washington, D. C.), June 1943, p. 104.

14. For a brief discussion of the proceedings of this conference, see R. H. Allee, "Agricultural America Mobilizes," *ibid.*, September 1942, p. 163.

working in cooperation with the Costa Rican Department of Agriculture, has achieved excellent results in its research on rubber-plant diseases. In Panama a central station working in cooperation with the experimental farm of the Canal Zone, at Summit, has been established, and a rubber-tree nursery located at Divisa and connected with the Panamanian Department of Agriculture produces good trees for local plantations. Moreover, one of the greatest rubber plantations of this hemisphere, established in 1935 by the Goodyear Tire and Rubber Company near Gatun, Panama,[15] has recently been acquired by the Inter-American Institute of Agricultural Sciences at Turrialba, Costa Rica. Ecuador has cooperative nurseries, and agreements have been concluded with the Ecuadorian Development Corporation for the establishment of a 2,000-acre productive plantation in Quevedo. Colombia and Peru also have nurseries which produce high-quality plants, and the Peruvian Department of Agriculture, as well as the Peruvian-Amazon Corporation, are cooperating with the Colombian Department of Agriculture and Agricultural Credit Bank in a joint rubber project.[16] Moreover, U.S. Department of Agriculture Cooperative Rubber-Plant Field Stations are in operation at Turrialba, Costa Rica; at Tela, Honduras; and at Marfranc, Haiti.

EL ORO REHABILITATION PROJECT

Another example of inter-American solidarity in the agricultural field is the joint rehabilitation project of the Ecuadorian province of El Oro, a region which suffers economically both from the loss of its banana and cacao markets as a result of the war and from devastation as a consequence of the frontier dispute with Peru.[17]

This rehabilitation has been entrusted to a government agency, the Ecuadorian Development Corporation, which works in close cooperation with the Inter-American Development Commission in Washington. At the request of the Ecuadorian authorities, the Office of the Coordinator of Inter-American Affairs has placed at the disposal of Ecuador a technical mission which helps local farmers develop new and more promising crops. The mission has already established a model farm in the neighborhood of Machala, the provincial capital, where soya beans, fodder grass, avocados, mangoes, and various fiber plants are now being tested for commercial production.[18] The Ecuadorian Development Corporation has also undertaken experimental cultivation of barbasco, the root of which is a source of the powerful insecticide rotenone.[19-21] American Indians are believed to have long known the properties of this plant, but only in recent years has modern agricultural science begun to investigate its value as an insecticide. Once its killing power was recognized, it soon became a leading product in the field, and in 1940 six million pounds of raw and pulverized rotenone were imported into the United States.

DEVELOPMENT OF NEW FIBERS

Second in importance among the inter-American agricultural development programs to which the war gave new impetus is the production of fibers. War industries and farms of the United Nations need great quantities of rope, cordage, cloth, and binder twine. In pre-war years these products were, for the most part, imported from the Philippines, the Netherlands East Indies and India. Here, as in other fields, the course of the war in Asia has drastically cut, or completely terminated, the flow of these goods to the Western Hemisphere.

Fortunately, there are many wild and cultivated fiber plants in the Americas which can replace the Asiatic fibers. Henequen and sisal, two closely related plants, whose fiber is the best substitute for Philippine abacá—better known as Manila hemp—are grown extensively in the Mexican peninsula of Yucatan and in some of the Caribbean islands; flax and linen thrive in Peru, Chile and Argentina; long-staple cotton in Peru; and so forth. Other, less familiar fibers, such as pita and cabuya, grow in Colombia, Peru and Ecuador. To assure rapid development of fiber plants in this hemisphere, official United States agencies, such as the Department of Agriculture and the Inter-American Development Commission, are assisting Latin American republics to increase by many thousands of tons the yearly output of American fibers.

The present fiber development program, which has been implemented and developed on the basis of recommendations adopted by the Rio de Janeiro meeting of the Ministers of Foreign Affairs,[22] includes the following projects: (1) cultivation in Panama, Honduras, Guatemala and Costa Rica of 40,000 acres of abacá (Manila hemp); (2) doubling the present henequen fiber production of Haiti; (3)

15. This plantation, covering 2,800 acres, is surpassed in size in America only by the Ford plantations in Brazil and the Goodyear plantation in Costa Rica.

16. Inter-American Development Commission, *Bulletin No. 24*, May 1943 (in Spanish).

17. El Oro was confirmed as part of Ecuador in the recent boundary settlement.

18. Inter-American Development Commission, *Bulletin No. 33*, June 1943 (in Spanish).

19-21. The Ecuadorian Development Corporation was able to secure 850 rotenone roots from Panama.

22. For a study of the proceedings and resolutions of this meeting, see D. H. Popper, "The Rio De Janeiro Conference of 1942," *Foreign Policy Reports*, April 15, 1942.

acquisition of all exportable surplus of henequen, flax and ixtle[23] produced in Mexico; (4) contracting with the principal producers of Cuban fibers for all the exportable surplus; (5) an agreement with Peru to buy the country's linen surplus and extend linen cultivation; and (6) experimentation with, and study of, the cultivation of other fibers, such as malva fiber in Cuba, cabuya in Ecuador, and roselle in Cuba and Central America. In the application of this general program, many thousands of acres of new fiber plantations have been prepared and seeded during 1943, promising a large increase in total American production in 1944.

Dominican Republic. Vast new henequen plantations have been laid out in this Caribbean republic, and a henequen-fiber bag factory has been built. It is expected that the new plantations will in time produce all the fiber needed by the Republic, and even some for export. Temporarily, however, henequen fiber must be imported from Haiti.

El Salvador. This Central American republic pioneered in the use of locally grown fiber for the manufacture of bags. As early as 1932 it established a henequen-fiber bag factory, which has been considerably enlarged since Pearl Harbor and is now operating at full capacity making bags for the coffee and other exports of Salvador, Guatemala, Honduras, Costa Rica and Panama. It utilizes about three-fourths of the 5,000,000 pounds of henequen fiber annually produced in El Salvador, and its product is a welcome substitute for the jute bags previously used throughout Central America.

In an effort to increase the flax trade between Chile and the United States, the Inter-American Development Commission of Washington is helping its national affiliate, the Chilean Development Commission, to prepare commercial specifications and standards for flax fibers, in consultation with United States experts in fiber grading.

As part of the inter-American program for production of strategic and critical materials inside the Western Hemisphere, small cooperative experimental plantings of roselle, a fibrous plant similar to the jute grown in India, have been established in seven of the republics of tropical America. This quick-growing fiber, which can be harvested ninety days after sowing, seems excellently adapted to the manufacture of burlap cloth and could, therefore, take the place of Asiatic jute.

Some years ago small-scale experiments of roselle cultivation were initiated in El Salvador with seed brought from Java. The seeds produced from the plant grown in America are now being used for experimental plantations in other countries of the hemisphere. The amount of manual labor involved in the cultivation of roselle is believed to be considerably less than that needed for the preparation of jute, which is important since labor is scarcer and more expensive in the Western Hemisphere than in the Far East. At present, studies are being undertaken by United States technicians to find a process for separating the fiber by simple and inexpensive mechanical or chemical means, which would further solve the labor problem.

23. A fiber extracted from the leaves of common agave plants.

DRUGS AND INSECTICIDES

Shortly before complete occupation of the Philippines by Japan, a U.S. Army officer and former director of the Philippines Forestry Service escaped from Mindanao in a Flying Fortress, taking along some 2,000,000 seeds of the cinchona tree, whose bark is the source of the invaluable quinine. On his arrival in the United States, over 100,000 seeds were immediately sown in hothouses and maintained under slow-growth while a search was made for land favorable for transplanting. The cinchona tree grows best in tropical lands located at an altitude of 4,000 to 6,000 feet above sea level, with a dry season lasting not more than one and a half months, and the American countries best approximating such conditions, it was found, were Costa Rica and Guatemala. Agreements between the United States and these countries for setting up cinchona plantations were rapidly concluded. In Costa Rica 10,000 acres are to be planted with cinchona trees and a United States mission of experts is already on the spot selecting localities.[24] In Guatemala the agreement signed with the responsible authorities provides for extension and modernization of the largest existing cinchona plantation in the Western world, located in the district of San Marcos.

Cinchona bark is also produced in other countries of America, although in small quantities. A variety of cinchona tree, known as *Josephiana,*[25] grows at altitudes of 10,000 feet in the highlands of the Andes, especially Bolivia, and as early as 1933 the U.S. Department of Agriculture was sending seeds of Philippine cinchona to Brazil and Mexico. The first cinchona seedlings planted by any United States government agency—and until now the major portion of these seedlings—were those planted under the complementary products program of the Office of Foreign Agricultural Relations. Nearly 50,000 seedlings have been sent to Peru, and about as many to Ecuador, for commercial plantations; while small amounts (about 10,000 seedlings) have

24. Inter-American Development Commission, *Bulletin No. 19,* April 1943 (in Spanish).

25. The commercial variety, which has a high alkaloid content, is known as *Ledgeriana.*

been sent to a number of other countries for experimental purposes.

Extension of war to the tropics has created a demand for considerable quantities of insecticides nonpoisonous to man. For example, according to a recent bulletin of the Inter-American Development Commission,[26] over a million pyrethrum "bombs" have been sent to Allied troops on the battlefronts of Africa, the Pacific, and elsewhere.[27]

One of the most effective insecticides is pyrethrum, which can be obtained from plants which grow, or can be made to grow, in the Americas. Pyrethrum is extracted from the daisy-like flower of the pyrethrum plant found in Brazil, Chile, Peru and Argentina. The Dalmatian coast was the world's main source of pyrethrum until Japan began to produce it on a grand scale some twenty years ago and rapidly became the principal supplier. Shortly before the outbreak of World War II Japanese production, in turn, was menaced by cultivations set up in British East Africa and now, to complement African production, United States agencies are actively helping to develop cultivation of the pyrethrum flower in various countries of America.

Another potent nonpoisonous insecticide, rotenone, is extracted from the roots of two tropical plants, derris and lonchocarpus, the former cultivated mainly in the Far Eastern tropics, the latter in the Amazonian territories of Brazil and Peru and in Venezuela. Before Pearl Harbor, about half of United States imports of rotenone roots came from Asia, the other half from South America. After Japanese occupation of southeast Asia, every effort was made to increase production in the Western Hemisphere of barbasco, cube and timbo, as the rotenone-bearing roots are variously called. Agreements to this end have recently been concluded between the United States and several Latin American countries, the most important of which provides for joint development of plantings in the Amazon Valley by the governments of Brazil and the United States. This program started in June 1942 with the arrival at the national *Instituto Agronómico do Norte* at Belem, Brazil, of a party of United States agricultural scientists, to survey wild rotenone resources of the valley.[28] The Instituto is establishing a 250-acre nursery which will distribute cuttings of rotenone plants to interested planters.[29]

In Peru the production of lonchocarpus, or barbasco, has been greatly increased in recent years, jumping from 12,000 kilograms (exports) in 1933 to 542,000 in 1938 and 1,544,000 in 1942. As of June 1, 1943 the country's plantations covered approximately 7,000 acres, and it is expected that some 4,000 acres of new plantings will be ready by the end of the year. Barbasco exports already represent a higher total monetary value than those of any other single product shipped from the Peruvian Amazon.[30] Before the war, Brazil exported annually between one and a half and two million pounds of roots and powder to the United States, and Venezuela about 100,000 pounds, but production was declining. Since it takes from two to three years before the plant can be harvested, the products of recent Western Hemisphere plantings of either derris or lonchocarpus—the former grown in part from cuttings sent by air from the U.S. Department of Agriculture station at Mayaguez, Puerto Rico, the latter from existing local plantations—will not reach U.S. insecticide manufacturers until 1944 at the earliest.

FORESTRY RESOURCES

While increasing the need for wood as a raw material, war developments have at the same time deprived the Allies of access to important sources of timber in Northern Europe, the Far East and the Pacific, compelling them to rely more heavily on the forestry resources of the Western Hemisphere. This fact, to which must be added the drain on Canadian and other North American forests caused by war needs, is focusing attention on the still practically intact forests of the Latin American nations.[31] Up to now, in spite of their great timber wealth, most of these countries were hampered by the high cost of felling and transportation, and

26. Inter-American Development Commission, *Bulletin No. 36*, June 1943 (in Spanish).

27. A new method of "bombarding" mosquitoes was recently evolved under the auspices of the U.S. Department of Agriculture. Pyrethrum is introduced into a highly volatile solvent which pulverizes the insecticides into a fog, and this is maintained under pressure in an iron container resembling a bomb. From this container it can be instantly released by pressure of a trigger, and the fog penetrates everywhere. A single "bomb" gives off enough shots to exterminate for fifty days all the mosquitoes in ten rooms ten feet high and one hundred feet square without injuring human beings or domestic animals. For the present, anti-mosquito "bombs" are earmarked for war, but it is to be expected that after hostilities cease they will be available for civilian use.

28. *Agriculture in the Americas*, July 1942, p. 138.

29. Both commercial derris (*Derris elliptica*) and plantation-grown lonchocarpus (*Lonchocarpus utilis*) are not grown from seed but propagated with stem cuttings from harvested plants, which makes it difficult to obtain propagating stock in large quantity except in areas where crops are already established on a plantation scale. For details on the characteristics of rotenone-bearing roots, see E. C. Higbee, "Rotenone Production in the Amazon Valley," *Foreign Commerce Weekly*, July 24, 1943, p. 8.

30. Dried barbasco roots, often called "vegetable gold" by local growers, are now quoted at 18 cents a pound f.o.b. in Iquitos (Upper Amazon). *Ibid.*, p. 9.

31. Latin America, with 63 per cent of the forest lands of the Continent, has produced thus far only some 5 per cent of the timber felled in the Western Hemisphere, while Canada and the United States, with 37 per cent of the forest lands, have produced 95 per cent.

contented themselves with exporting high-priced woods for fine cabinet work, dyewoods and tanning-yielding woods. Soft wood, as a rule, was felled only for local use.

The growing needs of war are rapidly changing this picture. With the recent large-scale development of many wood-consuming war plants, especially plywood factories, the United States and perhaps even Canada may soon find it difficult to supply their requirements—at least in the better grades of wood—and may have to draw more and more on the resources of the Central and South American forests. Before the hitherto almost untapped wealth of Latin American forests can be efficiently exploited, however, a comprehensive survey must be made.[32] In order to help the countries concerned make such a survey and develop timber production, a forestry mission was recently sent to Ecuador, and another to Central America, with funds provided by the Office of Inter-American Affairs and specialists furnished by the U.S. Forestry Service.

The mission to Ecuador will concentrate its efforts on development of balsa production. Methods for drying and testing are being investigated, and a study is being made of the insects which attack this wood. Other lumber resources are also being examined, and local woods are already used extensively, especially for the small 100-ton boats which have proved very satisfactory in coastal navigation.

The Central American mission's main task is to discover a lumber supply to fill the wartime needs of the United States. At the same time, it is to study the possibilities of using local hardwoods instead of iron and cement for bridges, piles, conduits and other works needed for the Pan American Highway. This mission has collected information on some fifty different types of local lumber, many of which showed outstanding qualities. In the mountains towering over the Pan American Highway south of San José, Costa Rica, for instance, it discovered a forest of oaks often reaching a height of eighty feet or more. Finally, the mission is studying the problem of supplying Costa Rica with the soft-wood cases needed for export of their vegetable produce.[33]

Mahogany is extensively used in war industries as a resistant veneer for plywood boards, a material which provides many parts of PT boats, large transport planes and bombers. Before Pearl Harbor, more than half the mahogany imported into the United States came from the Philippines. The disappearance of this source of supply after Japanese occupation of the islands focused attention on near-by Central America, Cuba and Haiti, and various agreements to increase exports of mahogany wood were concluded between interested agencies in the United States and Mexico, Guatemala, Honduras, Nicaragua, Peru and Brazil.[34] To facilitate exploitation of Central American mahogany, mechanical saws and other equipment are now being shipped from the United States.[35]

Balsa, the lightest wood in the world—twice as light as cork and much stronger—is needed in great quantities for the manufacture of war material. It is used in Britain mostly for the construction of the famous "Mosquito" bombers, and in the United States for the manufacture of life preservers, mine buoys and various other articles. Before the war, balsa wood was practically an Ecuadorian monopoly, with that country producing some 98 per cent of the world's total output. Balsa trees are found, however, in other tropical American countries. According to results of a recently completed survey, four million feet of balsa wood could be felled in Costa Rica by the end of 1943[36] and the present supply increased by systematic planting. A joint program for accelerated development of these resources and other Latin American products required for the war effort is now under way.

COOPERATIVE FOOD PROJECTS

Further examples of Latin American collaboration in the field of agriculture are projects for the supply of fresh food to the Panama Canal Zone. The war, with its need for greater defense of and stricter watch on Canal installations, has greatly increased the Canal Zone population and created new problems of food supply for the armed forces as well as the civilian workers engaged on construction projects in the Zone. As shipping shortages and other causes prevent large-scale importation of U.S. foodstuffs into Panama, a scheme to develop local production has been devised through joint study by the Republic of Panama and the Institute of Inter-American Affairs. An agreement recently arrived at

32. For a brief study of American forestry resources and their future, see C. L. Forsling, "The Future of the Forests," *Agriculture in the Americas*, January 1943, p. 13.

33. Inter-American Development Commission, *Bulletin No. 1*, February 1943; *ibid., No. 23*, April 1943 (in Spanish).

34. The agreement signed with Mexico provides for United States importation of more than 15,000,000 feet of mahogany in 1943, or twice as much as in the preceding year. Excellent mahogany grows in southeast Mexico, especially in the territory of Quintana Roo, the state of Yucatan, and on the Isthmus of Tehuantepec. From Brazil and Peru, over 6,000,000 feet of mahogany are expected to be available for export in 1943, compared with 2,000,000 feet in 1928, and large quantities are to be shipped from Guatemala, Honduras and Nicaragua.

35. In one case, a complete West Virginia sawmill was shipped to Nicaragua to expedite production.

36. Inter-American Development Commission, *Bulletin No. 44*, June 1943 (in Spanish). This same source indicates that a 1500-acre experimental plantation is being set up in Costa Rica by the International Balsa Corporation, under agreement with the Defense Supply Corporation and the Board of Economic Warfare.

provides that the latter will furnish the funds and equipment needed to develop production in the form of a cooperative food project.[37]

To complement Panamanian food production, moreover, the Office of the Coordinator for Inter-American Affairs has made plans for another cooperative farming program in Costa Rica. Financed by the Export-Import Bank of Washington, this plan provides for (1) easy agricultural credit loans to farmers' cooperatives by the Central Bank of Costa Rica, based on promises to buy given by the Institute of Inter-American Affairs, the agency charged with carrying out the plan on behalf of the United States government; (2) establishment by the Institute of storage warehouses near Costa Rican production centers; (3) technical aid from the United States, such as experts, seeds and tools; and (4) over-all agreements to buy all surplus food produced in Costa Rica for the Allied armed forces stationed in the Caribbean area. Conversely, the government of Costa Rica agrees to transport locally produced foodstuffs by rail to the nearest port at cost, and to remove all taxes or duties on the export of agricultural products. The 1942 harvest was the first under the plan, and important shipments of Costa Rican foodstuffs to the Canal Zone have been made regularly ever since.[38]

TECHNICAL COOPERATION

No program of agricultural development can be efficiently prepared without expert technical counsel and assistance. The Third Meeting of Foreign Ministers of the American Republics, held at Rio de Janeiro in January 1942, recognized this fact when it resolved to instruct the Inter-American Financial and Economic Advisory Committee to create, under the auspices of the Inter-American Development Commission, a permanent body of technical experts to study the natural resources of each country when so requested by its government. While a "permanent body of experts" has not yet been formally constituted, numerous instances of agricultural technical cooperation with Latin American countries—ranging from the sending of special missions to the building of complete experimental stations—have paved the way for such an all-inclusive body.

AGRICULTURAL MISSIONS

The number of technical missions, large and small, which have been sent by agencies of the United States government to Latin American countries to help develop natural resources is too large to permit complete listing. As might be expected, most missions are interested primarily in expansion of the output of strategic products. In addition to providing the groundwork for such immediate requirements, however, they are endeavoring to develop activities of permanent value to the Latin American republics.

At the request of the Brazilian Development Commission, a technical mission of seven United States experts was sent in March 1942 to study the industrial and commercial possibilities of vegetable fats and oil production in Brazil. Another mission of seven United States technicians is stationed in the interior in connection with the program of expansion of wild rubber-tree tapping. In Ecuador a group of six specialists has been surveying the agricultural situation with special inquiry into diversification of crops. A technician experienced in plant products used by the medicinal and pharmaceutical manufacturers has been sent to Peru, and is scheduled to do similar work in Bolivia and Ecuador. A U.S. Department of Agriculture mission of experts has visited several American republics to survey the problems of milk production and distribution, as well as processing methods and sanitation in connection with the dairy industry.[39]

In the rubber field, a Department of Agriculture specialist in plant pathology, who recently visited Mexico, Guatemala, Honduras, Costa Rica, Panama, Ecuador and Peru, expressed himself very optimistically about the future of American-grown rubber, basing his convictions on the progress achieved in combating diseases of the Hevea. A mission of four United States technicians was sent to Venezuela to survey soil and water conservation problems and submit recommendations. Other specialists were dispatched by the Department of Agriculture and the Board of Economic Warfare to investigate the development of rotenone-bearing crops in Brazil, Haiti, Colombia, Ecuador and Guatemala, the procurement and mechanical cracking of babassú nuts in Brazil, and the study of cinchona resources in Colombia. According to a recent statement from the Office of Inter-American Affairs, other missions have been assigned, on request, to Costa Rica, El Salvador, Guatemala, Haiti, Honduras, Nicaragua and Paraguay.[40]

COOPERATION WITH NATIONAL STATIONS

The complementary products program, although accelerated by the war, was first formulated in 1936, when Henry A. Wallace was Secretary of Agriculture, and was inaugurated by the Office of

37. *Inter-American Monthly* (Washington, D. C.), April 1943, p. 45.

38. *Bulletin of the Pan American Union,* May 1943, p. 299.

39. Inter-American Development Commission, *Bulletin No. 8* (not dated).

40. *Bulletin of the Pan American Union,* January 1943, p. 60.

Foreign Agricultural Relations in 1939, when funds were made available for the first time. When wartime conditions made large-scale expansion of production imperative in the Western Hemisphere, the establishment of experimental agricultural stations in conveniently located sites in various Latin American countries was speeded up.[41] By mutual consent between the United States, usually represented by its Department of Agriculture, and corresponding federal agencies of the American republics, various agreements for the cooperative establishment and operation of such stations have already been signed. According to these agreements, the United States furnishes agriculturists qualified to direct the program and head the agronomic, horticultural, and pest and disease-control activities. The Latin American republics supply agriculturists to work in cooperation with these experts, provide land, buildings, skilled and unskilled labor, and the general operating expenses of the production station.[42]

The first agricultural experimental station to be set up cooperatively is that of Tingo María, in Peru. On April 22, 1942 Peru and the United States signed an agreement under which the Peruvian government undertook to furnish all the land needed for establishment of the station, to build the necessary service and residence buildings, and to supply at least one Peruvian agriculturist to work with each expert sent by the U.S. Department of Agriculture. The United States pledged itself to provide scientists in specified fields, as well as scientific equipment not available in Peru, and various kinds of technical help. The land set aside for the buildings covers about 11 acres, in the middle of a rich and unusually diversified agricultural region. Foundations of the main building were completed late in 1942, and construction has been under way ever since. Among the projects started at Tingo María are three rubber nurseries, a cinchona plantation, and an experimental field for cultivation of derris cuttings received from Puerto Rico in connection with the rotenone development program.[43]

Another cooperative station is being established in El Salvador at San Andres, 20 miles north of San Salvador on the Pan American Highway, to which the government has allocated 595 acres of land. The U.S. Department of Agriculture has prepared plans for the station buildings, which will include an administration unit, barns, shops, staff residences, and buildings for a farm school for 80 boys, while El Salvador has already appropriated funds to carry its share of the program. The chief agricultural projects of the station at present are derris, roselle fiber and, at a higher altitude nearby, cinchona.

In Nicaragua a similar station will be located at El Recreo, where four experts of the U.S. Department of Agriculture are already at work. The buildings have been planned in collaboration with Nicaraguan authorities, and complete blueprints are being worked out. The staff will consist of five North Americans and a considerably larger number of Nicaraguans. The main projects concern rubber, abacá, derris and the processing of coconuts.[44]

INSTITUTE OF AGRICULTURAL SCIENCES

Outstanding among the new cooperative institutions is the Inter-American Institute of Agricultural Sciences, a school of advanced studies devoted to fundamental scientific research in agriculture. This Institute is a creation of the government of the United States and the Pan American Union, and its official seat is in Washington. Regulations provide for gradual construction of field offices and experimental stations, however, and in April 1942 the Pan American Union submitted to its state-members a report recommending establishment of a field office.[45] By October, nineteen of the twenty-one American Republics declared themselves in agreement with the proposal, and the Institute's first field office was set up at Turrialba, on the Atlantic side of Costa Rica. Lying among hills at an altitude of 1900 feet, it is excellently situated for its purpose.

The Institute's plan is to bring farm experts from all over the Americas to Turrialba, where they will be able to study under actual tropical conditions and ascertain at virtually all altitudes the effect of light, minerals, temperature, moisture, etc., on the growth and health of plants. It is planned to bring to Turrialba a number of outstanding experts, each of whom will teach groups of six or eight selected students from different countries. The initial expenses of organization, including construction of buildings and preliminary operations, will be met

41. Agricultural development is a slow process. Before new or improved cultivation methods can be introduced on a large scale, experience in the practical selection and reproduction of the best plant and animal life must be accumulated, and farmers carefully prepared for the task of commercial production. Such training and preparation are best obtained at production stations which, in agriculture, play the part of pilot plants in industry.

42. *Agriculture in the Americas,* May 1943, p. 85.

43. *Ibid.,* June 1943, p. 108; *Bulletin of the Pan American Union,* June 1942, p. 356.

44. *Agriculture in the Americas,* June 1943, p. 102; *Bulletin of the Pan American Union,* July 1942, p. 413.

45. Eleven countries (Bolivia, Brazil, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Nicaragua and Venezuela) offered sites for the field office.

out of a grant of $465,000 made available by the United States government through the Office of the Coordinator of Inter-American Affairs on request of the Pan American Union. The government of Costa Rica gave the Institute more than 1200 acres of fertile land,[46] and it has an option on another 1250 acres.

The cornerstone of the Turrialba Institute was laid by Vice President Henry A. Wallace on March 19, 1943, on the first lap of his inter-American tour. While a provisional building has since been erected and quarters for the use of personnel are being built, it will be difficult to make much headway in construction due to scarcity of material, especially cement and iron. Research work on vegetable production, breeding and processing has already begun, however, and by the middle of 1944 fifteen students should be doing work at graduate level.[47]

INTER-AMERICAN METEOROLOGICAL INSTITUTE

As a parallel to the Inter-American Institute of Agricultural Sciences, the opening in Colombia of an Inter-American Meteorological Institute was announced early in 1943. The Institute, located at Medellín, was organized under the auspices of the Office of the Coordinator of Inter-American Affairs, the U.S. Weather Bureau and the Defense Supplies Corporation, with the cooperation of the government of Colombia and various Colombian institutions.[48]

The new agency's functions are to help Latin American countries: in agriculture, by better forecasting and timing for crop planting; in air transportation, by increased safety in flying; and, in a general way, by preventing damages and calamities through flood forecasting, as well as by permitting better public health work in connection with weather forecasting. Classes are held in the buildings of the University of Antioquia, and instruction is given by an inter-American staff consisting of five Latin Americans (one each from Argentina, Brazil, Chile, Costa Rica and Guatemala), and eight North Americans (four technical instructors from the U.S. Weather Bureau and four linguists). For the time being, 200 students—chosen from among a thousand applicants, many of whom had already had meteorological experience with airlines or in the armed services of their countries—are registered at the Institute. The course lasts six months, and a limited number of high-ranking graduates will be offered opportunities for advanced study in a United States university and at the U.S. Weather Bureau.

46. *Bulletin of the Pan American Union,* December 1942, p. 703.

47. *Agriculture in the Americas,* February 1943, p. 37.

48. *Bulletin of the Pan American Union,* July 1943, p. 415.

LOOKING AHEAD

Present-day inter-American agricultural cooperation is developing along two main lines: (1) gradual, permanent development of Western Hemisphere agricultural resources which, under normal circumstances, could compete internationally or locally with similar commodities produced in the rest of the world, notably Asia; and (2) accelerated wartime exploitation in the Americas of agricultural commodities previously imported from low-cost colonial countries now occupied by the enemy. Imperative as this exploitation may be for strategic reasons, it is often contrary to sound economic principles and may have to be abandoned as soon as the war is over and cheaper sources are again available.[49]

As long as the war continues, the principal problem will be that of the greatest possible output of strategic materials and commodities, with cost a secondary factor. After the conflict, when sources now in the hands of the enemy will once more be accessible, the question will be one of price, and competition with goods produced under a low-wage colonial economy will again confront Latin America. The way in which this problem is solved in the post-war era will be of decisive importance in the development of inter-American economic collaboration. The nations of Latin America are slowly but inevitably acquiring a higher standard of living. When hostilities cease, they will not want to be pushed back to a semi-colonial status by uncontrolled international competition. Yet, in order to maintain the social advances made in the last decade, which they will certainly want to retain, they must secure decent compensation for the products of their soil, or else close the door to imports and develop their own industries to the greatest possible degree.

49. In some cases, however, the opening of hitherto inaccessible regions, the mastering of tropical diseases, and other advances due to wartime developments may permit continuation of present activities on a competitive basis after the war.

In the October 1 issue of FOREIGN POLICY REPORTS:

WHAT FUTURE FOR ITALY? *by C. Grove Haines*

Recent [illegible]port Bank Loan[illegible]nerica

By Ona K. D. Ringwood and E. S. Hediger

Since 1941 the activities of the Export-Import Bank—except for small disbursements to Chinese Government agencies—have been related almost exclusively to inter-American trade and development of the resources and industries of the Western Hemisphere. Besides fostering this transformation through the national development commissions, loans were granted for the improvement of road and rail transportation systems in order to facilitate delivery of strategic materials required by the United States. A smaller part of the credits has been devoted to the purchase in the United States of products essential to the economic life of the Latin American republics.

Among the Bank's more important commitments in 1942 are those relating to rehabilitation of the Victorias-Minas Railroad and the development of an important source of high-grade iron in Brazil; the creation of a small but strategically located steel plant in Mexico; and further advances in connection with the output of essential strategic metals and minerals in various Latin American countries.[1] From the time of its creation to the end of 1942, the Bank has authorized commitments aggregating some $1,100,000,000 ($264 million in 1942), of which about $300 million were subsequently cancelled either because the applicants found they did not require the facilities, or arranged to obtain the necessary credits from private sources. Actual disbursements have amounted only to $337 million, of which nearly $200 million has already been repaid. Disbursements would have been much greater if Latin American beneficiaries had been able to receive from the United States all the goods and materials they wanted.

A novel feature of the Bank, inaugurated in 1942, is a service through which the Bank assumes responsibility for the delivery of export goods to their destination within four months from the date the goods are ready for shipment in the United States. This new service helps American exporters keep open their established trade channels in spite of wartime shipping difficulties.

The credits available to the Latin American governments has been a military secret since 1942, and their amount therefore has not been made public. The last available figures, reproduced below, are as of May 31, 1942. They should not be substantially different, however, from those for 1943.

1. *Annual Report of the Export-Import Bank for 1942* (Washington, 1943, mimeographed).

EXPORT-IMPORT BANK LOANS RELATING TO LATIN AMERICA*

May 31, 1942

(*in thousands of dollars*)

	Total Commitments	*To May 31, 1942* Disbursed	Cancelled	Outstanding
Argentina	$ 61,120,000.00	$ 130,000.00	$ 45,000.00	$ 60,990,000.00
Bolivia	16,962,000.00	529,344.21	500.00	16,432,655.79
Brazil	103,609,529.14	40,299,067.78	31,555,443.81	67,310,461.36
Chile	29,467,329.54	9,450,217.84	1,912,849.88	20,242,111.70
Colombia	22,181,385.48	11,741,385.48	1,427,307.41	10,440,000.00
Costa Rica	6,374,607.29	1,874,607.29	274,607.29	4,500,000.00
Cuba	78,478,473.36	38,478,473.36	38,478,473.36	40,000,000.00
Dominican Republic	3,300,000.00	1,130,429.71	239,645.31	2,169,570.29
Ecuador	14,255,000.00	564,714.95	68,474.53	13,690,285.05
El Salvador	1,196,000.00	50,000.00	——	1,146,000.00
Haiti	13,250,000.00	5,480,000.00	90,000.00	7,770,000.00
Honduras	2,700,000.00	——	——	2,700,000.00
Mexico	37,149,291.20	11,069,192.79	1,093,406.98	26,082,528.37
Nicaragua	5,150,000.00	2,650,000.00	315,833.34	2,500,000.00
Panama	2,500,000.00	2,450,000.00	272,500.00	50,000.00
Paraguay	6,500,000.00	2,770,000.00	254,350.00	3,930,000.00
Peru	25,000,000.00	——	——	25,000,000.00
Puerto Rico	250,000.00	——	——	250,000.00
Uruguay	19,585,000.00	33,893.00	[illegible]	19,551,107.00
Venezuela	29,933,000.00	3,192,178.35	116,333.35	26,740,821.65
Special Credits earmarked for more than one country	182,000,000.00	17,566,000.07	4,339,264.50	164,433,999.93
TOTAL (20 countries)	$660,961,616.01	$149,459,504.33	$80,483,989.76	$515,929,541.14

*Inter-American Development Commission (Washington, D.C.), *Bulletin No. 10*, July 1942 (in Spanish). Not included in this tabulation are (1) undisclosed amounts of lend-lease aid to various Latin American countries for their defense under the Lend-Lease Act of March 11, 1941; (2) direct military appropriations by the United States Congress such as, for instance, the loans made to Central American states to assist them in building the Pan American Highway from Mexico to Panama.

J.I.Waller:rb:MIP

June 25, 1943.

FOREIGN POLICY ASSOCIATION

BACKGROUND, AIMS AND OFFICERS

In a folder printed by the Foreign Policy Association the aim of that association was stated as being a non-partisan, non-commercial organization founded in 1918 to increase the interest and understanding of international affairs. The folder also stated that the association had a prominent staff of research experts; that it had a main office in New York and seventeen branch organizations in seventeen cities in the United States where frequent public meetings presented outstanding authorities in informative discussions of international news of the day.

The following quotation was secured from the constitution of the above organization:

"The object of the foreign policy organization is to carry on research in educational activities to aid in the understanding and instructive development of American foreign policy."

(62-844-14)

In November, 1942, the national officers of the organization were:

Frank Ross McCoy	- President
William T. Stone	- Vice President
Sherman C. Hayden	- Assistant to the President
Dorothy F. Leet	- Secretary
Wallace A. Eldridge	- Treasurer
Carolyn Martin	- Assistant Treasurer

(61-7802-8)

CONNECTION WITH FOREIGN ASSOCIATION, ACTIVITIES AND AFFILIATES

Information received in 1922 disclosed that the Foreign Policy Association was a continuation of the League of Free Nations, which was reportedly pro-Soviet.

(62-384-86)

It was confidentially reported in January, 1927 that this association was sponsored in its inception by the American Civil Liberties Union and at that time favored recognition of Soviet Russia.

RECORDED 61-7802-12

One source stated that the Foreign Policy Association could not be understood without a background of the American Civil [illegible] which "got its start."

(100-148354-1)

In addition to the above, the Foreign Policy Association was reported- ly named in the "Congressional Exposure of Radicals" as one of the organizations

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Harbo
Mr. Mumford
Mr. Jones
Mr. Quinn Tamm
Mr. Heise
Mr. Hardy

interlocked by membership with the American Civil Liberties Union that "played into the hands of the Communists." (100-148354-1)

In June, 1927, a source in Europe advised that this association was considered pro-Russian in its views and propaganda. (61-6286-1)

A confidential source in March, 1937, reported a newly formed Communist Party "united front" organization, namely, the Cooperative Committee on Publications located in New York City. This committee was formed ostensibly to distribute peace literature. The Foreign Policy Association was one of the organizations who allegedly jointly financed the Cooperative Committee on Publications. (61-7566-260)

A confidential source in June, 1937, advised that an employee of the Foreign Policy Association said that an important part of the strategy of a recent peace strike had been worked out at the Foreign Policy Association office. This employee allegedly stated that she had acted unofficially because she could not work openly for something so obviously directed by the Communist Party. (61-7566-419)

Information was received in March, 1938, to the effect that the Foreign Policy Association Student Department was a consultant on educational material for the American Youth Congress according to a pamphlet issued by the latter organization entitled "Youth Pilgrimage for Jobs and Education," which pilgrimage was to be held in Washington, D. C., on March 10 - 12, 1938. The American Youth Congress was the center of cooperation through which numerous organizations participated in what was known as the "pilgrimage." It was stated that many of the so-called liberal or reportedly Communistic organizations were interested in this movement. (61-7566-888X3)

An article entitled "Soviet-Japanese Fence Aids United Nations," was printed in the Daily Worker for April 12, 1943. This was a reprint from an article of similar title which appeared in the Foreign Policy Bulletin for April 9, 1943. This news item discussed the Soviet-Japanese treaty regulating Japanese fishing in Siberian waters, which was renewed on March 25, 1943, and expounded the benefits to the United Nations which would be forthcoming as a result of this renewal. (100-148354)

RBD:MIP
5-13-44

The Commissioner
Immigration and Naturalization Service
J. Edgar Hoover, Director, Federal Bureau of Investigation

RECORDED

MAX STRAUSS, member of FOREIGN POLICY ASSN.

Reference is made to your communication dated February 25, 1944, your file numbers 56134/546 - 2270-P-466530, requesting information concerning the above-captioned subject and organization.

It was reported by a confidential informant on July 8, 1939, that a Dr. Max Strauss, a former Attorney at the Circuit Court in Berlin, Germany, was legal advisor of the German-American Writers Association on foreign law.

(61-7566-1600)

With reference to the Foreign Policy Association, there is attached a memorandum containing a summary of pertinent information contained in the files of this Bureau concerning this organization, prepared as of June 25, 1943.

Attachment

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Tracy
Mr. Rosen
Mr. Carson
Mr. Coffey
Mr. Harden
Mr. Holloman
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

COMMUNICATIONS SECTION
MAILED
MAY 17 1944
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

91

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 06-30-2011

OFFICE OF CENSORSHIP
UNITED STATES OF AMERICA

~~CONFIDENTIAL~~
POSTAL CENSORSHIP

No. NY 30182
Page 1 of 1 pages.

FROM:	TO:
POSTMARK: NEW YORK LETTERHEAD: FOREIGN POLICY ASSOCIATION 22 EAST 38th STREET, NEW YORK SIGNED: L. P. CHASE	MR. G. AGRONSKY, EDITOR THE PALESTINE POST P. O. BOX 625 JERUSALEM, PALESTINE
LIST: NONE	LIST NONE - SEE NOTE.

Date of communication	Date of postmark	Kind of mail	Mail No.	Register No.
NOVEMBER 28,194	NOVEMBER 28, 1944	AIR		

Language	Previously censored by	Station distribution	DISPOSAL OF ORIGINAL COMMUNICATION
ENGLISH	NONE	DR DECEMBER 5, 1944	H R R C RS Sent with comment to—

Previous relevant records	For interoffice use	To be photographed	Photo No.	To whom photograph is to be sent
NONE RELEVANT		NO		

Division (or section)	Table	Examiner	D. A. C.	Reviewer	Examination date	Typing date
SSD 4	SEC WI	7114	5634	6203	DEC.2-4/44	DEC.5/44

DR use only

SI 6956

SUI
12-6

1-1C
1-R21
2.

COMMENT

FOREIGN POLISY ASSOCIATION ASKS EDITOR IN PALESTINE FOR EXPLANATION OF HIS REMITTANCE.

Senders advise addressee of receipt of his remittance of £ 10.80 through Barclays Bank in London and request to be informed whether this remittance is to cover a two years' subscription to foreign policy reports or something else.

Examiner's Note: F.B.I. WATCH

There is an Agronski, Gierzon, Tel - Aviv, Palestine (GJ 4601)

SECURITY [illegible]
- ROUTING -
Mr. Mumford
Mr. Alden
Mr. Buckley
Mr. Burton
Mr. Carlson
Mr. Carson
Mr. Cunningham
Mr. Fitch
Mr. Fletcher
Mr. Serrick

INDEXED 61-7802-13
RECORDED
DEC 18 1944

SPECIAL NOTICE.—The attached information was taken from private communications, and its extremely confidential character must be preserved. The information must be confided only to those officials whose knowledge of it is necessary to prosecution of the war. In no case should it be widely distributed, or copies made, for the information used in legal proceedings or in any other public way without express consent of the Director of Censorship. BYRON PRICE, Director

Form OCensor (3d Rev. 2-15-43)
DEC 20 1944
O-U. S. GOVERNMENT PRINTING OFFICE 16—28125-3

~~CONFIDENTIAL~~

OFFICE OF CENSORSHIP
UNITED STATES OF AMERICA

~~CONFIDENTIAL~~
POSTAL CENSORSHIP

RECORD No. NY 310942
Page 1 of 1 pages.

FROM:
DR. ABBA HILLEL SILVER
342 MADISON AVENUE
NEW YORK 17, N. Y.

NONE
LIST:

TO:
MR. GERSHON AGRONSKY
PALESTINE POST
P. O. BOX 81
JERUSALEM, PALESTINE
F.B.I. WATCH LIST

LIST: NONE SEE NOTE

Date of communication	Date of postmark	Kind of mail	Mail No.	Register No.	Serial No.
NOV/17/44	Nov/2/44	SURFACE		NONE	

Language	Previously censored by	Station distribution	DISPOSAL OF ORIGINAL COMMUNICATION
ENGLISH	NONE	IR DEC/5/44	H R R C RS Sent with comment to—

Previous relevant records	For interoffice use	To be photographed	Photo No.	To whom photograph is to be sent
NONE RELEVANT		NO	—	—

Division (or section)	Table	Examiner	D. A. C.	Reviewer	Examination date	Typing date
SSD-4 ~~SI~~	SEC. WL.	7114	5634	6869	Dec/2/4/44	Dec/5/44

DR use only

SULTAN

COMMENT

N. Y. ZIONIST OFFICIAL SENDS BOOK TO EDITOR IN PALESTINE.

In mimeographed letter to "Dear Mr. Agronsky", signed "Abba Hillel Silver", the latter advises addressee that he is sending him a book: "America and Palestine", just publishedby the Zionist Emergency Council.

Writer points out that this volume contains pertinent statements by high government officials, indicating American Policy towards Jewish aspirations in Palestine.

SLH.
12-6

Examiner's Note:
There is an Agronski, Gierzon at Tel-Aviv Palestine (GJ 4601).

2-18
DF-84
3

SECRETARY'S RECORD
- POLAND -
Mr. Mumford
Mr. Aldrich
Mr. Buckley
Mr. Burton
Mr. Carlan
Mr. Carson
Mr. Cavin
Mr. Fisher
Miss Hall

7-1-45

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Form OC-8a
(3d Rev. 2-15-43)
O-U. S. GOVERNMENT PRINTING OFFICE 16—28125-3

~~CONFIDENTIAL~~

OFFICE OF CENSORSHIP
UNITED STATES OF AMERICA

CONFIDENTIAL
POSTAL CENSORSHIP

RECORD No. NY 390910
Page 1 of 1 pages.

FROM:
PUBLIC RELATIONS DEPARTMENT
NATIONAL JEWISH WELFARE BOARD
145 EAST 32nd STREET
NEW YORK 16, N. Y.

TO:
GERSHON AGRONSKY, EDITOR
THE PALESTINE POST
P.O.B. 81
JERUSALEM, PALESTINE

LIST: NONE

LIST: NONE SEE NOTE

Date of communication	Date of postmark	Kind of mail	Mail No.	Register No.	Serial No.
NOV/28/44	NOV/28/44				

Language	Previously censored by	Station distribution	DISPOSAL OF ORIGINAL COMMUNICATION
ENGLISH	NONE	DR DEC/5/44	H R C RS

Previous relevant records	For interoffice use	To be photographed	Photo No.	To whom photograph is to be sent	Sent with comment to—
NONE RELEVANT		NO			

Division (or section)	Table	Examiner	D. A. C.	Reviewer	Examination date	Typing date
SSD-4 SI 695E	SEC. WL.	7114	5634	6203	Dec/4/5/44	Dec/5/44 SUL TAM

DR use only

COMMENT

N. Y. WELFARE AGENCY SENDS TO EDITOR IN PALESTINE MATERIAL FOR PUBLICATION IN LATTER'S NEWSPAPER

In letter to dear "Gershon" signed "Yehoshua Zelig" writer discusses with addressee the contents of the three enclosures, which he is forwarding to him, namely:

1) Letter written by one of addressee's former secretaries, Sada Gordon, describing life in New York, its feverish campaign activities, its manifold entertainments and its sixth war-bond drive.

2) A review of the book: "Chaim Weizmann, statesman, scientist, builder of the Jewish Commonwealth edited by Meyer W. Weisgal, published on the occasion of Dr. Weizmann's seventieth birthday.

The reviewer, Jesse Lurie, is advising addressee, that the editor of the testimonial book, Meyer Weisgal, who has just left for Palestine will bring a copy to addressee so that he can give it a longer review in his paper the "Palestine Post."

3) A magazine bill amounting to $33.00 which writer requests addressee to pay directly to the magazine agent Sidney Marcus, New York.

Enclosures: 4
A 4 page letter
A review of a book
A magazine bill
A newspaper clipping

There is an Agronski, Gerzon F.B.I. WATCH LIST at Tel-Aviv, Palestine (GJ 4601)

SUL
12-6
2-1E
1-FBI
3

SECUR
Mr. N
Mr. T
Mr. P
Mr. I
Mr. Tamm
Mr. Cummings
Mr. Fitch
Mr. Fletcher
Mr. Strickland

SPECIAL NOTICE.—The attached information was taken from private communications, and its extremely confidential character must be preserved. The information must be confided only to those officials whose knowledge of it is necessary to prosecution of the war. In no case should it be widely distributed, or copies made, or the information used in legal proceedings or in any other public way without express consent of the Director of Censorship. BYRON PRICE, Director.

OC-8a (2-15-43)

O-U. S. GOVERNMENT PRINTING OFFICE 16—28125-3

CONFIDENTIAL

for 220 mc

FOREIGN POLICY ASSOCIATION
Carnegie Music Hall, Pittsburgh, Pa.

Pittsburgh, Pa.,
November 26, 1945.

A meeting of the Foreign Policy Association, Pittsburgh Branch was held this evening at 8:15 P. M. at Carnegie Music Hall, with the following speakers:

David Dallin - notable Russian author and economist - leading authority on Russian affairs.

Louis Fischer - famous war correspondent, lecturer and author.

Rev. Irving Murray, Unitarian Minister, student of Russian affairs and chairman, Pittsburgh Council of American-Soviet Friendship.

Robert D. Krogg acted as chairman of the meeting and introduced Mr. Dallin. Dallin a short white haired man of about 55 years, and who spoke with a marked accent claimed he had been barred from Russia, kicked out of Germany and other countries but his close association with Russia gave him an opportunity to talk closely to and of a country he know well. Dallin said that the fact the USA never had a war with Russia was no guarantee it would not fight Russia; that we are a democracy and they claim to be one too, but that also is no guarantee against war; that the war of 1918 was supposed to be the last world war, yet we have had world war two, and world war three is just over the horizon or at least the great powers are talking of it. That today we have a peace but it is an armed peace. Russia states they will keep a peace army of one third of their war time army of 13,000,000 and that means 4,000,000 men. Here in this country we talk of compulsory conscription and we will have possibly 2,000,000 men under arms; our Navy will carry enough men to man our ships in short order, and so Dallin said that all amounts to peace, but an armed peace.

Today with this peace we have three wars going on. One in Java among the Indonesians and the British are using their troops against the Indonesian resistance, another war in Iran and still another in China, and the war is supposed to have terminated months ago.

Today, Mr. Dallin says there is friction as to who won the war; the Russians will say they won it by their sacrifice against Hitler; England will say they were the buffer for many long years and here in this country, the USA will say they won it; all this breeds suspicion and tends to create forces in the heart and breeds future wars. England and the USA work together in harmony; Russia knows this and is suspicious of a USA-English bloc.

RECORDED & 61-7802-14

INDEXED

Another factor shaping the future of Russia is that her returning soldiers spoke some of the other countries, Poland, Germany and other places, that they lived well, had more or less democratic freedom not enjoyed in Russia, that their cities and factories were better, that their movements in general were not watched or restricted and so they have returned to Russia with this new ideology and this will tend to promote inter-nationalism instead of nationalism for the average Russian knew no more about foreign policy and affairs than the average domestic animal in a farm yard. Dallin said he could see this movement, but the Russians would watch their returned soldiers for this ideology was considered dangerous.

JAN 17 1946

That already R[illegible]a was going Inter-National, t[illegible]ok at Iran where Russia aims to create a sphere of Russian atmosphere, economically and politically. That this country was supposed to guarantee the freedom of Iran and it looks as if they will contest Russia's entry there for last Friday the USA presented a note of inquiry at Moscow. Yet does the USA want the oil that is in Iran, it could be and if so then the note fills one with the belief that it smells of oil.

Dallin said the reactionaries will say there must be a gigantic war to finish Russia and will slur Russia, and it was the idea years ago if you want to kill a dog, you must first declare it mad, and that's what they are doing to promote another war, casting ill feeling against her. That freedom of the press was necessary in Russia to promote better feelings, that the average Russian reads only the Moscow controlled press, listened to the Moscow controlled radio and they did not know about Iran, China and Java and possibly would not understand if they were told. That there must be a new world national policy to take the place of opposition, that opposition breeds wars and peaceful relations could not be gained by force, that peace could only come thru better understanding of the two powerful nations of the world.

The next speaker, Rev. Murray said that suspicion, bitterness and hatred between the two great powers, Russia and the United States, coupled with atomic power that one power had and the other had not, would, if not checked, plunge these two countries into a battle to the death and plunge the world back 1,000 years or more. That friendship and mutual trust was needed for the peace of the world and he for one thought we must do all we can thru such institutions as the Council of American Soviet Friendship of which he had the pleasure of being chairman, to promote this friendly feeling between the two great countries. He said if we fostered ignorance, hatred and ill feeling, it would be crush and crush until the last vestage of good in mankind of the two nations would be lost to posterity, and those of our country that are against Russia are traitors to this country, for they are bringing on a war that will partially destroy the world and this country with it.

Murray said that Amos says, "Can two walk together and agree?" But to change it to our relations with Russia, suppose one said, "Can two be agreed, and walk together?" That Emerson has said, "A friend is one that one can be sincere with."

Murray said he was not in favor of appeasement either, that he was no fellow traveler although some seem to think he is, that Russia is not the best nation in the world, that they have their faults, but he as a minister has found no antisemitism in Russia, no race discrimination, no abolition of their civil liberties, that he knew all the criticisms against Russia. That he has heard people in this country say we won the war, that the British have said they won the war and was it wrong for the Russians to say they won the war? No.

The question was not who won the war, but do the Russians and the Americans have enough moral courage to get along together, to work out the peace of the world together; willful ignorance of each other will rebuff friendship and there will be one last blood bath that will put us all in our graves prematurely, it may cleanse the world of Communism, but it may also take away from us our civilization and democracy. In the last war the world lost 30,000,000 people; Russia knows how many they lost in that war, we do too, English speaking peoples lost heavily; can we afford another war? Before the war we had our oceans for protection, now with the atomic bomb, war can happen overnight. They all want peace, Russia above all would like to enjoy peace; do the allies want peace, do they want to rearm China to peg Russia, do they want to make Germany again strong to hold Russia down; are they making bombs, atomic in nature in Franco Spain; Russia hopes for peace and in so doing is surrounding herself with friendly nations to insure the peace.

2208

The third and last speaker, Louis Fischer stated that he knew from Mr. Murray's speech that he had good intentions, but he did not give the answer to the solution, what should be done now to insure the peace. Why is there this tension; why do all the peoples fear Russia; why is there this appeasement of Russia? That it all dated back to the death of Mr. Roosevelt and the London Conference when the Russian factor discovered that 1 did not equal 2. In any land 1 always equaled 1, but in the deals with Stalin, Churchill and Roosevelt, 1 always equalled 2, but they gave in to Stalin to keep him in the swim, to win the war; after the war, the allies and he was speaking of USA and England, bore down and that is why the Russian delegates at London were so difficult to handle; there was no more appeasing and as a consequence there was difficulty all around. Russia had to change their arithmetic and they did not like it, in fact they rebelled so strongly the press could not print their statements. Russia wanted a majority minority relationship and England and the USA, after the war, would not go along.

Russia has a foreign policy and in simple terms it amounts to this; they, thru economic robbing of the countries they conquered, will add to their material wealth; they have done it in the Baltic, in Finland they are doing it today in Germany; they removed the machines, the cattle, the crops; starvation is a mighty weapon for forging the minds of men; they are going out from a nationalist country to that if an inter-nationalist power. Of course some will say let Russia expand, others say she doesn't want to expand, she must build and reconstruct her own damaged cities, towns and villages, her electrical power, her railroads, but Joe Stalin, "and I have talked to him", wants to be an internationalist and has since 1935.

Fischer said he reads the Communist Press, here and abroad and he has found that Stalin now proclaims the old Slav heritage, that all Russians spring from the Slav origin and it unites them into a solid organization with hopes and aspirations to acquire little by little other countries. That is why they resent the fight in China. On the other hand, the British are internationalist too, and they fight a war in Batavia to help the Dutch and lay low the Indonesians. It is possible that the Indonesians have Communists among them, so my friends in this day of peace we have war. The Hearsts and the McCormicks drag the Red Herring but it does not get us anywhere other than to make us Red conscious. What Stalin is doing is going Pan-Slav and he is promoting Pan Slavism to make Russians Internationalists; that the Slavs are superior; nationalism first, for food, and food is land and so then it comes to Internationalism.

Next is the economic motive; Russia has worked under a strain for the 25 years; they built up their factories, their huge army; they needed no navy so they redoubled their army; now they have just come thru a heavy war and they want to cut short their period of reconstruction so they are milking the rest of Europe dry to do so and when they got established, next it will be their opportunity to push further their idea of being an Internationalist. As a result of wars in other countries there have been political vacuums; there was in China, in France and in Germany, and with the war over, Russia will go into these countries at their lowest ebb and furnish them with a new ideology, the cause of the common man; it looks good, it sounds good, but is it good; look at France, they are succeeding there, look at Poland, look at Central Europe. Today Russia feels menaced and wants to get into Japan, into Iran, into Germany; she will not retreat, she will advance.

Today we have the atomic bomb, and it is said that in the first ten minutes of the next war, and it will be between Russia and the USA, it could not be between any other nation the way things are going, one tenth of the population will be killed; that is the first night, mind you. England is Internationalist - look at India, and in Java; we are Internationalist, look at the Islands we are and will hold in the Pacific; look at our interest in China at the present time, but suppose the

220p

other countries, Argentina, France and the like go Internationalist, don't you see where it will lead to, and unless the Big Three renounce their Internationalist ideas we will have another war.

Fischer said that the only solution was for the Big Three to renounce Imperialism and get into a World Union of nations, each one working as a separate Federal State under the jurisdiction of a strong Federal World Union of other country states. He said it worked in the USA for 150 years and could work for the peace of the world to come. He said the ground work for the next war was already started, this expansion at the expense of the weaker nations; Russia was branching out, England makes a move, then the USA, then they set a limit for Russia's advance, then she over steps, and you have your war. Germany did not declare war on England, nor France, but she overstepped their time and space limits laid down and there was war number two.

Fischer said the only answer was that all nations should retire into their own sphere and let the little countries alone; work out their own culture, improvement within their own countries and let their aspirations for world power alone.

Vague championships of friendship could not make over Russian-American friendships; it needed something bigger than that. Fischer said he was a rejector, a double rejector of expansion at the expense of weaker nations; that he did not sanction the rape of Romania, the pitiless push against Poland nor the present fight in China and Java nor at Iran nor Greece, that it leads to control, annexation and acquirement by fair or foul means and that leads to war; that he was a double rejector all along the line. That Russia wants security at the expense of the other nations and peace would only come by voluntary renunciation of Imperialism; there is war power and will power, and we must use will power; that Europe was going into a socialized and this country too, changes both within and without; that we must stop the irritants and then we can have peace.

- - -

Chairman Gregg then said the meeting was open to questions.

A Doctor in the audience asked Rev. Murray if a meeting of this nature could be held in Soviet Russia Today? This Doctor's sympathy was with Russia, but the only reason he had not joined the Pittsburgh Council of American Soviet Friendship was that Russia had not opened their arms to such organizations as ours. Murray said that if he were a Russian and had been kicked around as they had, he would be suspicious of anyone and everybody, but to answer the question, frankly he would say No, that he doubted if it would be permitted.

A lady in the gallary asked Mr. Fischer what should be done here to get a working arrangement for peace. He said to write their Senators on the matter, but doubted if the present group of Senators would do anything about it, but to elect Senators at the next election that would do something.

During Mr. Fischer's talk, a small Jewish appearing man with gray hair, well dressed, glasses, partly bald head kept muttering in an undertone, and when one of the questioners asked about the Russian secret police and Mr. Fischer was explaining, that started this gentleman to yell out, "Its a lie, I was there and I knew."

So after Mr. Fischer was thru, Mr. Gregg said the gentleman in the audience that shouted would be granted time to make an explanation, so he got up to talk and said that it was all a lie, that people in Russia could not talk against Stalin, that he was in Russia and in the diner of a train, he heard a table conversation that indicated that those who wanted to flay Stalin could do so, and it was a lie for Mr. Fischer to say otherwise, that he was a misleader, and not to believe him;

2209

that he traveled simply as a tourist and had no reason to like Russia, other than he wanted to see it for himself, that he had the money and time to do so.

To this Mr. Fischer said that some of the Protestyites were allowed to denounce Stalin, but since the war, that was not true, nor was it true during the war. That many of his friends, friends who talked to him while in Russia, because they could trust him, were no longer in Moscow and among the missing, that the secret police could come in at any hour of the day or the night, usually the night and remove anyone talking against the Government. The little man then rose to his feet, pointing to Mr. Fischer shouted "Its a lie. I know better, I was there, don't believe him, all lies, I read your books, I know your kind." At this point the head usher asked him to leave, and all this time his wife had been pulling at his sleeve for him to sit down and keep quiet or leave.

Another man asked to make a statement and said he had been in Romania, but an American citizen and was there when Russia moved in and was arrested six times by the Russian secret police and it was only his American citizenship that saved him, and his papers and his record of arrests were on file at the State Department at Washington if there was any one in the audience who disbelieved his statement.

Various Russian sympathizers in the audience yelled denounciations and Chairman Cregg asked if they were questions or statements; most of them were statements. A man next to me, and whom I later found out to be Rev. Rupert Boston of the Unitarian Church finally got the floor and in an excited voice said that he believed Mr. Fischer and Mr. Dallin's talks were pure lies of the reactionaries and he for one did not believe a word they said, that to know the truth, one had to read the New Republic, the Daily and Sunday Worker, New Masses, Soviet Russia Today and other papers to circumvent the lies of such speakers as they; that he was a Unitarian Minister, but liked and admired Russia and was a friend of Russia, that speaking of the secret police, he had been hounded here in the United States and in South America by the FBI and he felt there was an FBI man in the audience this evening.

Mr. Dallin was allowed to speak in his behalf and said all he said, he was sorry to have to say, was the truth, no lies whatever. Mr. Fischer said that as a Unitarian Minister, the word lie was a strong one to use in a friendly meeting of so called intelligent people, that what he had to say of the secret police was true, that he, Fischer had the advantage of living in Russia and he knew what he was talking about, that he had talked to Stalin himself and knew some of the inner workings of the Communist Party and what it is built around and about its ideas on world expansion; that all he knew about the present day happenings he read from the Communist Press of Europe and the United States; facts were facts and their Press did not lie.

When Fischer said he was surprised at the attitude of the minister, Boston shouted to leave generalities out of it or rather personalities.

Another man said, "Did not Germany have a pact with England in the early history of the last decade. Fischer said to make no mistake, he was against Germany and her Internationalist leanings, as he was against England, as he was against the United States and against Communist Russia. That some had said to appease them all, and end war, even to giving Russia the atomic bomb; he said that would be the most stupid blunder in history; let her use it as a threat against the smaller nations of Europe and get them all in her corner; it would be rank folly; that she could have and welcome to atomic power use when she was able to control her ambition for more land, more power, but until then, No.

There were other questions, but none of relative importance; quite a few Russians were present, and it is felt they thought they would get speakers that

220 N

would have been more partial to Russia in line with Russian-American friendship - two booths sold Russian merchandise, cigarette cases, shawls, nicknacks and literature.

The attached handbill asking people to attend the lecture by Dr. P. S. Henshaw, Chairman Oak Ridge, Tennessee Association of Atomic Scientists on The Atomic Bomb and its Implications for Security at the First Baptist Church, Bellefield and Boyard Sts., Sunday, December 2nd, at 8:00 P. M. was distributed by one of the booths.

The following Communists and fellow travelers were pointed out as being present.

Judith Coplon
Dr. Hugh Weston
Mrs. Gertrude Weinstein
Mrs. Sarah Lindgoh
Hildegard Dietze
Mr. & Mrs. Clyde Catford
Dr. & Mrs. Verne Wright
Mr. McKerchie - Chemist - J. & L.
Marion Mathaway
Marjorie Weston
Wilbur White
Prof. Dietze
Dr. & Mrs. Clark

they were very instrumental in holding back Germany and Japan at the time, thereby stopping them in any ambition of their ambition that would have ultimately led John Wise open to Japan which could have been one of the worst things that could have happened. He said it was a tough fight for Russia in the early stages of the war and they did their best with very little equipment and little land lease, yet they fought on and won.

103248

Mr. Carter said he could remain for twenty minutes for a question period.

The question was, Why does Poland want Russia to get out of their country?

Mr. Carter said that Russia works just the opposite to the USA and that they believe in hard work and better government, putting work first while in this country we put politics first, not caring if there are millions out of work and starving - for we pay more attention to politics than we do to the Russian form of Government or the people; that Poland should welcome a hard working nation that would keep them out of the hotbed of Europe intrigue.

Mr. Carter had earlier expounded the story of the advancement in the Russian way of life. In one of the questions asked, the person stated he would like to have two minutes, that he was a student of economics and although he did not want to ask a question he would like to argue the point of living standards in Russia. He said he visited Russia on two occasions, in 1936 and 1940. He said they have no standard of living; they don't know what good living is and there appeared no progress toward a better standard of living from the first time he visited compared to the last visit he made in 1940.

This fellow then asked why it was so prominent to have strikes in every country that was either going into war with Germany or were already at war with them and which in many cases was caused by Communists.

At this point the Chairman interrupted and said the meeting was solely for asking questions and not to get into arguments. The person then asked permission to continue as a CP, pointing to his discharge pin. Mr. Carter consented and he continued to expound on the strike problem in this country and others on stupid from the Communistic angle and the Chairman again stated that it could not allow such talk to continue. Mr. Carter then very clearly stated that he was not an authority on European affairs, but had devoted his many years to Pacific affairs.

This ended the meeting. The fellow that was involved in what might have been a good argument on Communism was about 55, spoke with a very definite Slavish or Polish accent.

Mr. Carter was an impressive speaker, plain but dramatic. He stated his case as he knew it and allowed it to be just as a matter of fact statement. However, it seems from his speech topic, he deviated from the path of the Pacific to more on Russia than what may have been expected by the audience. His speech may have been more appropriately called "Defense of Russia."

In his closing remarks he mentioned that "We owe a lot to Russia, France, England and all the smaller nations owe a debt of gratitude to Russia. I too owe them a debt myself because they saved my two sons from dying and many of your sons the same fate."

This brought on applause from the audience.

61-7802-18

FORMER MEMBER OF FACULTY OF PITTSBURGH.
FORMER PASTOR OF CENTRAL CHURCH.
LEONARD G. CARTER, CHICAGO.

103246

Pittsburgh, Pa.,

March 6, 1940.

A group of 175 attended this meeting of which 85% were above the age of forty; 10% between thirty and forty and the remaining 5% under the age of thirty.

Mr. Leonard G. Carter was in the auditorium when the writer arrived and he was in the presence of the chairman for the evening along with several others. Twenty persons were called out of the audience before the meeting to be introduced to Mr. Carter. He seemed, and acted very graciously toward all those introduced to him and also seemed to have known several of them prior to this meeting and extended a very cordial welcome to them. One lady in particular seemed to be very eager to have him meet new people. None of these people were named and therefore the writer is ignorant of their names. The chairman for the evening was not introduced.

In the introduction, the Chairman said that Mr. Carter in addition to being Secretary-General of Pacific Relations was one of the very few privileged characters to enter Russia almost at will without having to undergo any real examination as to his mission and that he had been in Russia nine times in the past twenty years. The chairman then called attention to a meeting or so he stated, more of a debate, to be held next Wednesday evening in the same auditorium at which time a Mr. Cattell and Mr. Young would participate. He said it would be a very interesting debate and that all should obtain tickets upon leaving this meeting to assure their attendance next week.

Mr. Carter then took up his program of telling all about his travels and particularly thru the Far East. One would have had to be a traveler to follow along the trend of thought, for many of the places he mentioned were cities, none of us knew or had read about. His first real inside topic related to his luncheon with the then Prince of Japan in 1936, whom the writer believes he later identified as Hirohito. At this luncheon he stated that a Philippino had more or less revealed Japan's plans to conquer the world and referred to those plans as having something to do with the Tanaka Memorial. Upon his return from Japan, Mr. Carter stated that he revealed for the first time to the Anglo-Saxon world Japan's plan of conquering the world.

INDEXED 61-7802-15

Mr. Carter then discussed the Communistic scare in Japan and how the persons with which the U.S. were allied were anxious to get them back afloat on their respective countries. He mentioned France, England and Germany and made no exception with these countries that they did not want our troops there. He talked of "open arms" and said the people of these countries at first threw their arms around our soldiers, showered them with flowers, wined and dined them for they were happy to greet them as liberators but all this has changed since victory. Now they want them to get back to their own homes and countries. He said, however, the English Army was satisfied to remain there so long for he was having a better time and a better living than to return to cemented town England and the coal mines of Wales.

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Mr. [redacted] told of the high value [redacted] Marshall, former Chief of S[redacted] stationed in China. [redacted] as Marshall remains there, he will do more good than anyone to bring about a coalition government between the Communist Chinese and the Democratic Chinese people. He said this has been a difficult problem but Marshall seems to be the man that has brought most advancements along these lines.

103247

Mr. Carter said that the Communist Chinese party is a minority one, in good, and so long as it remains a minority party, it will promote a better form of Democratic Government than anything else. He told of his travels along the industrial areas of China when "upon the advice to take these areas and Chiang was a very much wounded man because all of his Democratic form of Government had its backing from the groups of people in these areas, namely bankers, industrialists, farmers, business people, large and small, and the people working for these groups. He said the army was holding such a Democratic form of Government together for him, but when "upon shift and took away these areas, Chiang was driven back into the medieval territory that Carter termed dangerous to Chiang's power and this frightened him very much at the time. He made no mention of any aftermath.

Mr. Carter then spoke from that time on of Russia and his recent visit [illegible] August. Of his visit to the peasant homes and to the hospitals, and went into detailing of his forgetting an appointment at a hospital and how near midnight that visited this hospital, full of children, all amputees and when he got there, the high official of the hospital said the children were disappointed that "Uncle Harry was not coming," but he would tell them in the morning that he had been there, they got out flashlights and peered under the covers of two beds and discovered children were awake, and turning on the big overhead lights, found that all the children were wide awake to see their Uncle, even at that late hour; and so he of the children's expressed gratitude to the people of the USA who had given generously to relieve the suffering of these peoples and to supply them with ficial legs, and one in particular that he talked to had both legs and his right amputated and he held up his left arm and expressed his undying gratitude to Carter for the help they received from the people of the USA and said he would his life to a better understanding between the two great countries.

Mr. Carter then said "we owe a lot to Russia," because Russia had suffered one million amputees as compared with our 10,000 and said we think that is a big figure here.

Mr. Carter then turned to Churchill and referred to his present visit with President and in this connection, said that Mr. Truman was not born in either Pennsylvania or Massachusetts and that accounted perhaps for some of his [illegible] ledge in world affairs. He more or less denounced Churchill because of [illegible] might be called turncoat policy and recalled when Churchill praised [illegible] added that Churchill said, "If I were an Italian, I would be proud to [illegible] in your Black Shirt Party." Years later, he denounced that same party. [illegible] did liberties with Russia and also with Japan, pledging support of their many leaders ideals at the time, later to denounce them along with Italy. Joining the send with Germany and France against Russia. Mr. Carter said that [illegible] second war came along he praised Russia as an ally and now is denouncing [illegible] over again. That Mr. Churchill was born neither in the states above mentioned, statements as these brought applause and laughter from the audience.

Mr. Carter praised Jimmy Byrnes as Secretary of State and said he was doing a marvelous job considering who he had to work under and who he had working with.

He said that not a long time ago he learned that it was actually agreed with that Russia would enter the war with Japan 90 days after Germany surrendered Russia's delay in not getting into the war sooner because

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FOREIGN POLICY BULLETIN

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G. I. R.-5

VOL. XXVI, No. 16 JANUARY 31, 1947

CHINESE MODERATES PRESS FOR END OF CIVIL WAR

ALTHOUGH political maneuvering in China has been stimulated by General Marshall's report of January 7, all signs indicate that a negotiated settlement of the civil war is more remote than ever. The Central government, with American Ambassador J. Leighton Stuart acting as intermediary, took the formal action of making a new peace offer to the Chinese Communists on January 16. Two days later the Communists' rejection of the terms was announced. The core of the government plan was the proposal of a truce based on existing military positions, an arrangement which would require the Communists to write off all the territory lost to the Central armies since the breakdown of last year's agreements. The main point of the Communist reply was that new agreements could not be more effective than previous ones unless the government disavowed the constitution, which was recently adopted without the Communists, and agreed to restore the military positions of January 13, 1946 when enforcement of a cease-fire order began.

THE DEMOCRATIC LEAGUE. One significant feature of the current situation, in view of General Marshall's emphasis on the importance of backing the Chinese liberals, is the steadfastness with which the Democratic League, the chief liberal group, has adhered to its criticisms of the Central government and of American policy. In an interview in Shanghai on January 20 Professor Lo Lung-chi, an American-educated leader of the League, denied that the Communist terms for peace talks made discussions impossible. He expressed the view that reorganization of the Central government without the Communists would prolong the civil war and declared that the failure of General Marshall's mission resulted from the "wrong policy" of the United States. Two weeks before, on January 5, Lo had proposed that Generalissimo Chiang Kai-shek make concessions to the Communists on the question of restoring the military *status quo* of January 13, 1946.

For some months the Nanking authorities, perhaps mainly with an eye to American public opinion and United States aid, have been clearing the ground for a government "reorganization" which would bring some non-Kuomintang elements into the Administration, but not involve coalition with the Communists. The task has not been easy in view of the League's unwillingness to settle for anything less than an all-party regime based on last year's peace agreements. It is true that for a year or more the Young China party, which once formed the extreme right wing of the League but later seceded, has been working with the Kuomintang on most issues. But this relationship has discredited the Young China party as an independent group, and its entrance into the government would carry little weight.

At least since the spring of 1946 the Kuomintang has been wooing another conservative League group, namely the State Socialist party, later renamed the Democratic Socialist party. The government's efforts proved successful when the Democratic Socialist party joined in the recent constitutional assembly, which was boycotted by the League, and subsequently withdrew from the League. But the victory is of limited value to the Kuomintang, since only a very small portion of the League's membership is involved. Moreover, the Democratic Socialists are not prepared to join the administration now.

The government has hoped that the constitution adopted last December would facilitate its plans for reorganization. But the new document, although welcomed in some sections of the American press, has not made a particularly striking impression in China, where the dark realities of civil war and the daily

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struggle for existence overshadow verbal pledges. The country's best-known newspaper, the Shanghai *Ta Kung Pao,* complained on January 4 that application of the chapter on civil liberties has been deferred, even though the constitution as a whole had been promulgated officially at the beginning of the new year. Moreover, Chinese political circles are aware that the constitution contains important limitations on the civil liberties it grants. According to Article 23, citizens' rights may not be restricted "except as warranted by reason of preventing infringement of the liberties of other persons, averting an imminent crisis, maintaining social order or advancing public interest." These qualifications are broad enough to permit any limitation of civil rights the government may consider necessary, especially since China will be in a state of "imminent crisis" involving "social order" and the "public interest" as long as civil war continues.

CIVIL WAR MAIN ISSUE. Criticism of the Central government appears to be growing in China. Far from being weakened by the defection of the Democratic Socialist party, the Democratic League, which held its second national congress in Shanghai this month, seems on the way toward becoming a more tight-knit organization. The bitter student demonstrations which were touched off in late December and early January by the charge of a Chinese girl student that an American marine had attacked her, were directed not only at American policy, but also at the Central government. While the movement was in process, it spread to over a dozen cities, marking an upsurge of left-wing and liberal student political activity not seen in government territory in many years.

The outstanding fact of the current Chinese situation is that "liberalizing" action by the government, whether in the form of a new constitution or a reshuffled administration, can be little more than a political maneuver as long as the civil war continues. This is widely recognized in China today. On January 26, for example, a conference of eighty independent business, financial and professional leaders issued a manifesto in Shanghai, appealing for peace on this ground: "If hostilities do not stop, the date of the total collapse of China will not be far off."

The Chinese situation is of importance to the United States as well as the Chinese government, for rising anti-civil war sentiment in Central government territory will mean rising criticism of American policy. The United States has already lost much Chinese goodwill because of its material support of a Central government engaged in civil conflict. It is true that our current aid is at a rather low level, but our total assistance since V-J day has been substantial, and the expectation of future assistance plays a large part in Nanking's calculations. Few issues facing the United States in world affairs are more important than the need to reconsider our China policy with a view to restoring traditional goodwill between China and the United States.

LAWRENCE K. ROSINGER

POLAND'S ECONOMY REVIVES DESPITE POLITICAL CONFLICTS

The Polish elections of January 19, the first since 1935, resulted in an even more sweeping victory than had been anticipated for the government bloc, which was reported to have won 11,000,000 votes as compared with approximately 1,500,000 votes for the Peasant party headed by former Premier Stanislaw Mikolajczyk, the only one of six political parties which was in the opposition. The following day the 383 seats in parliament gained by the government bloc were assigned to component and supporting parties on the basis of 119 respectively to the Communists and Socialists, 106 to the bloc-supported dissident Peasant group, 38 to the Democratic party, and one Independent. According to government spokesmen, the Peasant party received only 10 per cent of the votes, but Mikolajczyk contended that his party would have had 60 or 70 per cent in an honest count of election returns.

ELECTIONS NOT "FREE AND UNFETTERED." The conclusion reached by the embassies of the United States and Britain in Warsaw as well as by correspondents of Western newspapers (whose reports were uncensored) is that the January 19 poll did not constitute the "free and unfettered elections" which the Polish government had pledged itself to hold under the Potsdam agreement of July 1945. Peasant party candidates were excluded from voting lists, the party's newspapers were censored or suppressed, individual Peasant party leaders were molested, threatened, and in some instances killed, in many voting districts the party was not permitted to participate in the counting of votes, and voters were encouraged to use open instead of secret ballots. The government, headed by Boleslaw Beirut, a veteran member of the Polish Communist party who had spent considerable time in Moscow, made no secret of its hostility toward Mikolajczyk whom it regards as too closely linked to Polish exiles abroad, or of its reluctance to hold the elections at the present time. It was only because of insistent urging by London and Washington that the elections were held at all. Government leaders had argued that continued civil strife, for which they blame the underground, and the unsettled international situation created conditions unfavorable to free elections.

A HIGHLY COMPLEX SITUATION. Discussions of Poland in the United States have been so overshadowed by controversies over the elections that the complex and contradictory factors at stake

have been relatively neglected by the Western press. Poland suffered greater physical destruction at the hands of the Germans than any one of the other United Nations with the possible exception of Russia, yet it is showing signs of more rapid and more solid recovery than most of its neighbors. Many Westerners have thought of Poland as an appendage of Russia, yet the proud individualism of the Poles, comparable only to that of the Spanish, and their centuries-old hatred of Russia, which is not confined to any one political group or class of the population, make it difficult in practice for Poland to become a mere carbon copy of Russian ideas and practices. Some Polish liberals, while resenting the restrictions imposed by the Communist-dominated government, feared that genuinely "free and unfettered elections" might bring back to power those elements in Poland which sympathized with the ideas of Fascism even if they did not actually collaborate with the Germans. The majority of Poles are fervent Roman Catholics and, in spite of tension between the government and the Vatican, government leaders have sought to reassure the Church about its freedom to function and its property rights, while the church hierarchy avoided open denunciation of the government bloc during the pre-election conflicts. The security police which, in the opinion of both Poles and foreigners, has threatened to transform Poland into a totalitarian state but, according to the government, has been needed to combat guerrilla activities of the underground, is repugnant to a people imbued with a tradition of passionate attachment to personal liberty. It is significant that one of the first actions of the government following the elections was to announce that the Ministry of Public Security, which has charge of the security police, will soon be abolished.

REVIVAL OF POLAND. Meanwhile, by a paradox that strikes all foreign visitors to Poland, political conflict bordering on chaos has not prevented an extraordinary economic revival which, should future conditions prove favorable, promises to make Poland, with a population of 45,000,000, one of the leading nations in Europe. This revival has been due in part to vigorous measures taken by the Communists and Socialists who number in their ranks some of the best technicians in the country, but most of all to the amazing vitality of a hard-working and inherently optimistic people who have resumed their tasks without waiting for long-range government plans. Poland has rich coal resources of its own, to which have been added the German Silesian coal mines, and thus has a base for modern industrial development as well as a source of valuable exports. In a period when Britain and the Ruhr suffer from various coal-mining difficulties, the Poles plan to export 20,000,000 tons of coal a year, which would bring in about two-thirds of the $300,000,000 they must raise by exports. The imports Poland needs most urgently are foodstuffs, for which it expects to have to spend $132,000,000 now that the work of UNRRA is nearing its end. Eventually the Poles hope to obtain additional food from the farmlands of eastern Germany where 4,000,000 Polish citizens have already settled, following the ejection of the area's German inhabitants. This farming area, however, was assigned to Poland at Potsdam "pending final delimitation" of Poland's western border—and the reported intention of the United States to propose reconsideration of this border at the Moscow conference has aroused alarm and resentment.

Poland is not, and because of its historic attitude toward Russia would find it difficult to become, a satellite of the U.S.S.R. It is unrealistic for us, however, to forget the fact that, no matter what government may be in power in Warsaw, it would have to lean heavily on Russia for security against the possible resurgence of Germany. The United States still has a very good chance to establish friendly relations with Poland, which needs our machinery and manufactured goods and appreciates the aid given by UNRRA and American relief organizations, but we shall not accomplish this aim merely by adopting a negative attitude of resentment against the Communists, Socialists and dissident Peasants who compose the present government. VERA MICHELES DEAN

Just published—

RUSSIA'S FOREIGN ECONOMIC POLICY

By Vera Micheles Dean

25 cents

February 1 issue of FOREIGN POLICY REPORTS

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The Arab Awakening, by George Antonius. New York, Putnam, 1946. $4.50

A new edition of the best book available on the history of the Arab nationalist movement, with a valuable documentary appendix.

International Trade: Cooperative or Competitive, compiled by Clarence A. Peters. New York, H. W. Wilson, 1946. $1.25

This is a timely volume in the Reference Shelf series and has a useful bibliography.

FOREIGN POLICY BULLETIN. Vol. XXVI, No. 16, JANUARY 31, 1947. Published weekly by the Foreign Policy Association, Incorporated. National Headquarters, 22 East 38th Street, New York 16, N. Y. FRANK ROSS MCCOY, *President Emeritus;* HELEN M. DAGGETT, *Executive Secretary;* VERA MICHELES DEAN, *Editor*. Entered as second-class matter December 2, 1921, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Four Dollars a Year. Please allow at least one month for change of address on membership publications.

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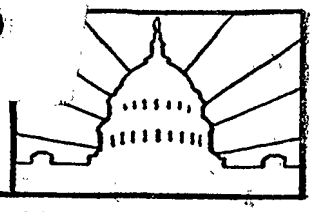
Washington News Letter



WILL G.O.P. CONTINUE BIPARTISAN APPROACH TO FOREIGN POLICY?

Recent foreign policy statements by Republican leaders confront the Democratic administration with the problem of determining anew the nature of its obligation toward its political rivals in the formulation of "bipartisan" policy. Since the statements reveal that the two parties differ about certain fundamental issues in international relations, President Truman and his new Secretary of State, George C. Marshall, must decide which of three courses to take: accept the Republican point of view; reject it; or search for a compromise with the Republicans. The advantages of bipartisanship were re-emphasized last year, when Democrats and Republicans, acting in concert, successfully concluded negotiations over treaties with Germany's wartime European allies. But conditions have changed since 1946. The Republicans, then the minority party in Congress, now control Congress. Secretary of State James F. Byrnes, who arrived at a practical method of working with the Republicans, has been replaced by Marshall.

REPUBLICAN TENDENCIES. The goal of American policy as now conceived and practiced is to keep the world as a unit and at the same time to move away from the possibility of war. Indications that Republicans, on the contrary, are thinking in terms of a divided world came in addresses by Senator Arthur H. Vandenberg, Chairman of the Senate Foreign Relations Committee, to the Cleveland Council of World Affairs on January 11, and by John Foster Dulles to the National Publishers' Association in New York City on January 17. Referring specifically to Latin America and China, Senator Vandenberg suggested that, in order to hold back the advance of Communism, we support, or at l accept, governments which have so far been under cratic by our standards. Proposing that Germany be federalized, Mr. Dulles advocated that the industrial potential of western Germany be integrated with the economy of Western Europe. By its emphasis on the "economic unification" of the western countries, Mr. Dulles's proposal might encourage the division of Europe into eastern, or Russian, and western, non-Russian zones.

The makers of United States policy have hitherto believed that such modifications as Republicans now propose could improve, not harm, the position of the Soviet Union in world affairs. Democratic policy-makers in the Administration examine every issue in terms of its probable effect on the Russian-American power balance. At the same time American diplomacy rests on the assumption that we can improve our relative position in the struggle for power without letting our relations with Russia degenerate into conflict and without breaking up the globe into a number of political compartments.

This is the unifying element in a policy which at first glance seems riddled by contradictions. To keep the way open to understanding with Russia, the United States last autumn discouraged the drive to remove the veto (except for atomic energy questions) from the United Nations Charter, partly because it feared that Russia would withdraw from a vetoless UN. The United States has refused to give its complete support in China to Generalissimo Chiang Kai-shek because it believed that such action might in time divide China into Russian and American portions, to the advantage of Russia. Washington's policy has assumed that to turn to Chiang at the expense of the Communists would not halt the Chinese civil war but would cause Russia to intervene in China—if not to counter us, then to restore tranquillity along the Russo-Chinese border. In its Latin American relations, the United States has assumed that we would foster the spread of Communism if we relied on authoritarian governments like that of Perón to combat Communist ideas. The Administration has consequently opposed the convening of a special inter-American conference that would include Argentina so long as Perón has not fulfilled his promises to rid the country of Nazi influences. Senator Vandenberg, however, said at Cleveland that "it is past time to hold the conference," which he implied, would halt the "communistic upsurge" that was "moving in."

REPUBLICAN ATTITUDE. While Senator Vandenberg certainly will try to impress on Secretary of State Marshall the wisdom of the policies he and Mr. Dulles have proposed for Germany, China and Latin America, it is unlikely that the Republicans associated with the development of bipartisanship will destroy it if Marshall and Truman reject some or all of the suggestions. Vandenberg himself on January 19 said bipartisanship had come to stay. He has learned from foreign representatives that this country increases its influence abroad in proportion to the evidence it can give that its policies are stable and continuous. Bipartisanship has also enabled Republicans justly to take credit for the foreign policy accomplishments of a Democratic administration. If, however, Washington's foreign policy at a later date should strike the public as ineffectual, the Republicans may decide that it is politically advantageous to dissociate themselves from it.

BLAIR BOLLES

SAC, PITTSBURGH

November 20, 1946

Director, FBI

FOREIGN POLICY ASSOCIATION--
MISCELLANEOUS INFORMATION CONCERNING

CI-78082 16

There is being enclosed a photostatic copy of a memorandum dated October 23, 1946, which was furnished to the Bureau by an unknown outside source concerning the appearance of Honorable Randolph Churchill before the Pittsburgh Chapter of the Foreign Policy Association on October 22, 1946.

If the information contained in this memorandum is used in an investigative report or furnished to an outside agency it should be appropriately paraphrased.

Enclosure

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HON. RANDOLPH CHURCHILL

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Pittsburgh, Pa.
October 23, 1946.

The Pittsburgh Chapter of the Foreign Policy Association presented the Hon. Randolph Churchill at the Stephen Foster Memorial last night at 8:30 P. M. The Chairman of the meeting was Mr. Galbraith, the British Consul in Pittsburgh who presented Mr. Churchill as the son of the illustrious Winston Churchill.

Mr. Churchill apologized for his hoarse voice and said it had gone on strike. He said he had delivered a speech in the afternoon of the same day before a group of Jewish women and his voice was somewhat tired. He launched into the first of his speech by saying the European Continent was the cradle of Western Civilization and the last two world wars originated in Europe and if there is a third world war, it too, will originate in Europe. He went on to say the material damage of a war is negligible compared with the moral damage.

Continuing Mr. Churchill said North America has never known occupation armies; has never lived under the heel of the enemy and the moral lesion caused by the occupational armies is far reaching on the minds and bodies of the occupied. That some people think it best to collaborate with the enemy to ease their own hardships of war and so black markets spring up and have now left their frightful moral legacy. That under "occupation", black markets are patriotic because the enemy has all the known goods. But on the other hand, there is a legacy left by the resistance movements; that some of them did fine work and in Greece and Yugo-Slavia, but in Yugo-Slavia there was rival resistance, fighting among themselves rather than their enemies. For in Yugo-Slavia this brought about great confusion in the public mind and as a result this friction, 80% of the written material of that country was too prejudicial to be of any value and this was born out by the current issue of a national monthly magazine on Yugo-Slavia.

Mr. Churchill said Germany marched into Yugo-Slavia in 1941 and in four or five days had pushed citizens aside and completely took over all high offices. That Mikhailovich then retreated into Serbia and organized underground movements to fight back. That in Yugo-Slavia itself one can live hidden in the mountains and forests for years on end and so Mikhailovich hid and was able to kill enemy sentries and do other damage, but it proved costly because the enemy would take a hundred lives of a village in reprisal.

Further that Hitler made his greatest mistake in advancing on Soviet Russia and because of Russia being in the fight, International Communists came out of many hiding places to defend Russia and in Belgrade Marshal Tito took to the mountains to prepare for this emergency. That he gathered together an army of men, but it seems that Mikhailovich stood for the old Serbian order of comination while Marshall Tito, the Communist, had no interest in the old Balkan trouble. That out of the 16 million Yugo-Slavs, one million were killed. Tito became stronger and stronger and at the same time very much harder hearted and in the end all key positions were held by Communists.

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Churchill said DRAJA Mikhailovich had in his band Germans, Italians and Communists. He hated Communists and collaborated with Germans, Italians with the idea of gaining control. He said Great Britain helped Mikhailovich, also Tito, but it amounted

to a civil war, so England withdrew support from Mikhailovich and helped Tito because he was killing the most Germans.

Churchill said he felt that Mikhailovich wasn't a war criminal but at the same time he would have killed Tito if he could.

Churchill said that today over Europe there is a fear of Russia, and that firmly entrenched Communists make up as much as 30 per cent of the people in some places. That the first Communists had National ideals and one third of France is at least friendly to Communistic ideas so how can they solve their countries' problems. Further we must recognize there are ten times as many Russian troops as British and American troops in Europe.

Mr. Churchill said he thought the secret of the Atom Bomb will remain safe and stay with Bernard Baruch who will not hand it over to any potential enemy. That 15 months have elapsed since peace day and we aren't even allowed to talk of making a peace treaty; that it was sabotage by Russia, preventing peace terms being settled.

Mr. Churchill felt there would be another war; that it could be stopped, but human beings will never learn by other peoples mistakes and the same generation will have to contend with two great wars.

The speaker went on to say that 18 million copies of Lenin's book and 13 million copies of Stalin's book had been printed for Russian consumption and these were the Old and New Testiments or the Bible of the Russian peoples and the only thing they had to read.

Mr. Churchill then read excerpts from some books which I was not able to get very clearly due to the poor speaking voice of Mr. Churchill, but he said that a third war would be the last of us for if the same generation has a second war they deserve to loose their lives for it showed they learned nothing constructive in the way of peace in the first war. He said Russia has divided the world by organizing their little miserable sections and we of this country and England should make the free part of the world as strong and so strong that Russia would not be a threat to peace, and to make this hold we have to have a burning faith foundation and we must go on record as being against Russia taking over control.

The speech was good, brief and to the point on Russian World relations. After his speech, Mr. Churchill invited questions from the audience and a heckler spoke up that Mr. Churchill was over here to try to make war between Russia and the United States. This brought on a tension in the audience and Mr. Churchill answered that his speech had been as a basic idea on how to prevent any pending war. That The Russian Government, unfortunately is founded on evil poisonous doctrines and slavery of their peoples. This woman, a white haired lady, short and prim continued to mumble about the rights of the workers and to bring the meeting to order, Mr. Galbraith and Mr. Gregg of the Foreign Policy Association, stood up beside Mr. Churchill until one of the chairmen told her to sit down and be quiet as Mr. Churchill had answered her question.

After the meeting I heard some say this woman was a heckler that she was a Socialist and had attended one of the strike meetings at Carnegie Hall two Sundays ago and there distributed Socialist Labor Party literature.

There was another heckler present, a man who was disagreeable and people were saying to throw him out.

In conclusion Mr. Churchill said a United States of Western Europe was the goal of our European friends and that it would be a great step forward toward building more strength.

Mr. Galbraith closed with Ella Wheeler Wilcox's poem the last line of which was "The Art of being k nd is all this world needs."

Mr. Churchill's hoarseness and the clearing of his throat made it difficult to get the smaller details of his speech, but the group of teachers, scholars, business men, etc. that attended this meeting seemed to approve his talk and got something out of it. There were about 500 people attended this meeting.

- - -

Foreign Policy literature was distributed at the door along with the new Civic Center Forum programs. Because of the strike in Pittsburgh, their program was disturbed, so their first meeting will be Monday evening, October 28th, when Ely Culbertson representing Americans United will hold a discussion on the stage with Clark Eichelberger on "Can the United Nations Keep the Peace? at 8 P. M. at the Soldiers and Sailors Memorial Hall. This is the outfit that the Rev. Irving Murray is working on to replace his Shadyside Forum.

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VOL. XXVI, No. 18 FEBRUARY 14, 1947

PALESTINE CRISIS CALLS FOR U.S. ACTION

PALESTINE'S war of nerves reached a new peak last week at a moment when a rapid succession of events in Jerusalem and London created the deceptive impression that the problem was at last approaching a solution. In Jerusalem the crisis was precipitated by the death sentence of a 33-year-old Hungarian-born Jew, Dov Bela Gruner, a former lance corporal in the British Army, who was to be hanged on January 28 for participation in a terrorist raid on the Ramat Gan police station last April. The kidnapping of two British civilians as hostages for Gruner led to British threats of martial law. On February 3 Jewish officials in Palestine were asked by the British authorities "to state categorically and at once" whether they were "prepared within seven days to call upon the Jewish community to lend their aid to the government by cooperation with the police and armed forces in bringing to justice the members of terrorist groups." The Vaad Leumi, or Jewish National Organization decided two days later to reject this ultimatum, refusing to ask the Jewish people to act as "informers." Terrorists of the Irgun Zvai Leumi (National Military Organization), who had kidnapped the two British hostages, asserted they would "fight to the last breath" against British authority.

MORE TALK IN LONDON. In London, meanwhile, the latest in the long series of Palestine conferences was being held. Only the Arabs were officially present, but British leaders were talking on the side with Jewish representatives. The British cabinet was apparently divided between the point of view of Colonial Secretary Creech Jones, who favored the creation of separate Jewish and Arab provinces with no ceiling on immigration in the Jewish zone, and the point of view of Foreign Secretary Bevin who wanted greater restrictions both on Jewish immigration and on the size of the Jewish province. Bevin's view prevailed. The resulting British proposal, made public on February 10, falls so far short of the hopes of Jewish leaders that they are reported to have totally rejected it. Arab spokesmen have also repudiated the new scheme

Since neither Arabs nor Jews will yield, it is likely that any British plan would have to be imposed by force. Yet Bevin is reported to have declared, in a letter accompanying his suggestions, that no attempt would be made to force their acceptance. Under the circumstances it is difficult to see what the British can gain by their current military activities. So far the only evident result is the consolidation of the Jewish community and the consequent strengthening of the terrorists in the Irgun Zvai Leumi and the Stern Gang (a small faction which broke away from the Irgun in 1940).

A MANY-SIDED PROBLEM. The Palestine issue is a complex of many closely related problems. The strategic problem is to satisfy Britain's security interests, which are just as legitimate as those of the United States in the Pacific islands. The humanitarian problem is to find refuge for persecuted Jews displaced by the war. The political problem is to reconcile conflicting Jewish and Arab claims for an independent state. The latter two problems are closely related because the Zionists, in effect, are using the humanitarian appeal to win the political objective of a Jewish state, a fact of which the Arabs are keenly aware. Zionists believe that a Jewish state is an essential part of a humanitarian approach to the needs of world Jewry.

The immediate need, however, is to do something about the tragic fate of the several hundred thousand Jewish refugees who a year and a half after the end of the war are still seeking a haven. The post-

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war record indicates that Britain is unwilling to take the risk of imposing a solution favorable to either Jews or Arabs, or of even adopting the recommendation of the Anglo-American Committee of Inquiry that "Palestine shall be neither a Jewish state nor an Arab state." Moreover, many Britishers recognize that London does not have the moral authority in Palestine to carry out a policy. Under the circumstances, many observers believe it is time to look elsewhere for an attempted solution, and the logical place to turn to is the United Nations. Britain might agree to accept a trusteeship agreement for Palestine (drawn up by the Trusteeship Council and approved by the necessary two-thirds vote in the General Assembly) on one condition—that Britain should be granted a strategic base in part of Palestine. Since the formulation of a political decision in the United Nations would doubtless prove long and difficult, the humanitarian problem might be tackled at once by Anglo-American cooperation in sending 100,000 Jews to Palestine at the rate of 10,000 a month which, according to the Jewish Agency, the country can absorb. Should such a plan be undertaken, it should be made clear that the 100,000 are to go in on schedule, but that any further immigration will depend on the decision of the United Nations.

AMERICAN INTERESTS AND RESPONSIBILITIES. The United States, as the strongest power in the world, has the greatest responsibility for helping to solve the refugee and other world problems. At Frankfort-am-Main in the American occupation zone in Germany, General Joseph T. McNarney on February 6 told a press conference that "the only feasible solution" for the future of 125,000 Polish Jews in the American zone was settlement in Palestine. Increased American interest in Middle Eastern oil also forces us to share responsibility for problems of that region. Only 4 per cent of the world's oil production to date has come from the Middle East, but it is estimated that the area contains 42 per cent of the world's proved oil resources. A special Senate committee to investigate this country's petroleum resources reported on January 31 that our continental reserves were insufficient to meet our needs in case of another world war. Finally, Washington has a special obligation, because Jewish citizens of the United States are taking an active part in Palestine affairs. Mr. Mortimer May, vice-president of the Zionist Organization of America declared on January 25: "We are going to have to realize now that for the first time leadership in world Jewry and world Zionism has passed to the United States." The 1600 delegates who heard Mr. May make this statement to the National Mobilization Conference of the Zionist Organization of America voted to raise a special $1,000,000 fund for Zionist propaganda in the United States.

The Anglo-American Committee of Inquiry estimated that "as many as 500,000 (Jews) may wish or be impelled to emigrate from Europe." The United States could contribute to the settlement of one of the world's most acute problems by (1) opening its doors to 200,000 Jewish refugees; (2) urging other nations to absorb another 200,000 immigrants; (3) strengthening its insistence on immediate transmission of 100,000 Jews to Palestine; (4) putting strong pressure on Britain to turn the mandate over to the United Nations; (5) and furnishing financial, technical and even military aid to insure the transit and safety of the 100,000 immigrants until the United Nations assumes this task.

VERNON MCKAY

UNREST IN JAPAN LEADS MacARTHUR TO ORDER NEW ELECTIONS

General MacArthur's directive of February 7, ordering national elections in Japan "as soon as practicable," will give the Japanese people a new opportunity to express their political sentiments. It also offers the occupation authorities an opportunity, if they so desire, to get out of a situation in which American prestige has become closely identified with support of Japan's extreme conservative elements. For one of the principal political facts of recent months in Japan has been the use of American influence to prop up Premier Shigeru Yoshida's cabinet. The chief complaint of Japanese critics of the regime has been against its do-nothing policy in handling economic problems, particularly rising prices. The labor unions, especially those in which the Communists and Socialists are influential, have been the spearhead of opposition to Yoshida, but the existence of dissatisfaction far beyond the left is suggested by a recent poll of more than 200,000 Japanese voters by the Tokyo newspaper, *Asahi*. According to the results, announced on February 1, 48.7 per cent opposed the Yoshida government, only 26.4 per cent favored it, and the rest expressed no opinion. The figures also indicate that in new elections the Socialists might well become the largest single parliamentary group.

CHANGE IN JAPANESE SENTIMENT. When the Liberal party, now headed by Yoshida, secured the largest number of Diet seats in last April's national election and soon formed a governing coalition with the even more conservative Progressive party, the results caused no surprise. The voting took place less than eight months after Japan's capitulation, and the past experience of the Japanese people made it natural for them to elect candidates not too remote in outlook from their previous lead-

ers. Changes, however, were already taking place in Japanese opinion, and this ferment has increased in the months since the balloting. Although reports indicate no significant sense of war guilt in Japan, and the temper of the people cannot at this date be considered democratic or anti-militaristic, progress has been made in eradicating some of the traditional subservience to authority. There appears to be a new questioning of authority in certain sections of the population, particularly in Japan's mushrooming labor movement, whose membership now runs into the millions, an unprecedented figure in Japanese history. It is paradoxical that while this emergence of labor reflects in large measure the freedom of organization and opinion permitted by the occupation authorities, the latter have been worried for some time by the strength of left-wing leaders in a number of the unions.

S. AND JAPANESE LABOR. It has been apparent for quite a while that the Yoshida cabinet could not be in office except for the firm support given it by American representatives. Yoshida has launched several unsuccessful efforts to strengthen his regime through the inclusion of new elements. He has been particularly anxious to split the opposition and deflect popular criticism by drawing a number of Socialists into the cabinet and he has also tried to take advantage of differences between the right and left-wing sections of the Socialist party. His efforts, however, have failed, and the best he has been able to achieve is the entrance of a few "non-partisans" into the cabinet on January 31.

This attempt at reshuffling took place on the eve of a scheduled strike of government workers. Some time before, as part of the labor movement's drive to secure wage increases, to change the government's economic policies and unseat Yoshida, a joint committee of the Japanese unions had called a strike of some 2,500,000 government employees for February 1. When various unions of non-government workers decided to strike in sympathy, it became clear that a partial general strike was impending.

On January [illegible], under pressure from General MacArthur's headquarters, the Yoshida cabinet offered limited concessions on some of labor's demands, but the unions found the government's plan as a whole unacceptable. The American authorities then attempted in private conferences to induce the labor leaders to cancel the strike, but these efforts proved fruitless. On January 28 a crowd, estimated at from 100,000 to 300,000 demonstrators, paraded peacefully through the streets of Tokyo and marched to Yoshida's residence to demand his resignation. Finally, on January 31 union leaders were called to occupation headquarters, where the text of an order by General MacArthur forbidding the strike was read to them. Under great pressure from the American authorities, the leaders called off the strike three hours before it was scheduled to begin.

WITH WHOM SHALL WE WORK? General MacArthur's statement declared that he would not "permit the use of so deadly a social weapon in the present impoverished and emaciated condition of Japan." One of the most striking passages expressed the view that the strike was the work of a minority which "might well plunge the great masses into a disaster not unlike that produced in the immediate past by the minority which led Japan into the destruction of war."

Although the Communists, whom General MacArthur unquestionably included in the word "minority," have a far greater influence in the Japanese labor movement than their numbers would suggest, the strike demands were widely supported in non-Communist labor circles. In addition, while the potentially serious economic effects of a general strike were averted, the United States assumed the political risk of going on record in support of an unpopular Japanese government. This situation seems especially unfortunate because the issue of a general strike might never have arisen if the Japanese cabinet had been allowed to fall months ago in the ordinary course of political evolution.

LAWRENCE K. ROSINGER

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Nothing to Fear, edited by B. D. Zevin, with foreword by Harry L. Hopkins. Boston, Houghton, Mifflin, 1946. $4.00

A selection of President Roosevelt's speeches, each prefaced by a brief historical note.

There Will Be No Time, by William Liscum Borden. New York, Macmillan, 1946. $3.00

An analysis of the revolution in strategy caused by the development of the atomic bomb and other weapons. The author urges world federation as the only way to win peace but also sees the need of defense preparedness.

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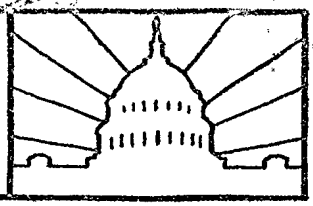

MARSHALL URGES CONGRESS TO ACT ON FOREIGN POLICY PROPOSALS

The task faced by Senator Arthur H. Vandenberg, chairman of the Senate Foreign Relations Committee, in winning the support of his Republican colleagues in Congress for that part of the Administration's foreign policy which he himself accepts may grow increasingly difficult as 1947 unfolds. The test of his leadership in his own party will come when Congress takes up the list of the twenty-seven legislative proposals which Secretary of State George C. Marshall transmitted to Vandenberg on February 5. This article is intended to give brief background information on the six proposals Marshall put at the top of his list.

1. *Legislation authorizing the United States to carry on its own relief program abroad,* in coordination with other governments, is sought because UNRRA will practically cease to operate in Europe on March 31 and because present relief allocations in some countries, notably Austria, Italy and Greece, are regarded by the Administration as insufficient. Under Secretary of State Dean Acheson on December 6 proposed that the United States provide foodstuffs free to countries whose needs were well established. The Administration regards the problem as short-term, to be ended with next summer's harvests, but views the current shortage of food in the neediest countries as the supreme international emergency. The State Department has not yet concluded its study of the relief problem. When the requisite legislation is introduced in Congress, it will be referred to the Senate Foreign Relations and Appropriations and House Foreign Affairs and Appropriations Committees.

2. *Senate approval is required for the Italian, Bulgarian, Hungarian and Rumanian peace treaties* which were signed by representatives of all governments concerned in Paris on February 10. When the original copies for the United States are returned from Paris to Washington, President Truman will submit them with a letter of transmittal to the Senate, which probably will refer them to the Foreign Relations Committee. Ratification requires the approval of two-thirds of the members of the Senate present.

3. *Enactment of legislation for American membership in the International Refugee Organization* is sought to provide care for refugees and displaced persons after UNRRA ends its operations on June 30. The United Nations General Assembly on December 15 accepted the IRO constitution at the suggestion of the United States. The agency is to come into existence when fifteen member nations, providing at least 74 per cent of its $151,000,000 budget, have approved it. The United States would contribute $73,000,000 toward the first-year budget. Legislation probably will be ready about March 1 for introduction in Congress and consideration by the committees concerned with international relief.

4. *Senate approval of the Anglo-American oil treaty* has been sought since 1944, when the treaty first was negotiated. Revised in 1945, it provides for consultation between the United States and the United Kingdom on common problems relating to the extraction and sale of petroleum and its production overseas, and paves the way for the establishment of an international oil organization. President Truman submitted the oil treaty to the Senate in November 1946, but the Foreign Relations Committee has not held hearings on it.

5. *Legislation to authorize use by the International Children's Emergency Fund of $500,000 contributed by the United States to UNRRA* would further the work of a special relief agency, created in December by special resolution of the United Nations General Assembly to aid children and expectant and nursing mothers in invaded countries. Maurice Pate, Children's Fund executive director, said on January 24 that its goal for 1947 is the distribution of $450,000,000 in relief. The $500,000 in unexpended funds from the United States contribution to UNRRA cannot be passed on to the Fund without legislation authorizing the transfer. The required legislation has not been prepared. The Fund expects to obtain additional funds from a variety of sources.

6. President Truman on October 4 said that *legislation enabling displaced persons to settle in the United States* was desirable. Changes in the immigration laws, increasing existing quotas, would facilitate the transfer of DPs from overcrowded camps in Germany, Austria and Italy. IRO will care for the DPs in the camps but not resettle them. The resettlement problem is urgent because the present homeless condition of millions of DPs contributes to unrest and political instability in Europe. Belgium, Brazil, Argentina and Canada have indicated an interest in taking some DPs as permanent settlers. When prepared, immigration legislation will be the concern of the Senate and House Immigration committees.

BLAIR BOLLES

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March 1, 1947

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Puerto Rico: An American Responsibility

BY OLIVE HOLMES

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Puerto Rico: An American Responsibility

BY OLIVE HOLMES

This Report is a general survey of the Puerto Rican situation, incorporating information and impressions gathered by Miss Holmes on a recent visit to the island.

PUERTO RICANS await with more than usual concern the report of the joint Congressional committee which visited the island in February 1947. On its findings depend prospects for the insular reform program adopted in 1940 and for early settlement of Puerto Rico's political status. Because the Republican party has won the majority in Congress and is affiliated with the minority Puerto Rican party of the same name, the people of the island are asking themselves whether new and different solutions to their critical problems will now be sought. After four centuries of colonialism, Puerto Rico's problems are deep-rooted and stubborn.[1] They result primarily from a serious maladjustment between the number of people living on the island and the ability of the land to support this number. Like all insular peoples, Puerto Ricans face the danger—in this case real and imminent—of being crowded into the sea. At the time of the 1940 census the population totaled 1,869,255; it is now approximately 2,175,000; and, according to estimates based on the present rate of growth, by 1960 it will be over 3 million.[2]

Means of supporting the population other than agriculture are conspicuously lacking. The island possesses in quantity none of the resources needed for the development of heavy industry. Such enterprises and occupations as exist depend for the most part directly or indirectly on agriculture. But employment opportunities in the fields, the sugar *centrales* and simple industrial establishments have not kept pace with population growth, increasing only half as fast as the latter.[3] The effort to support a dense and growing population on the products of the soil has proved a losing battle, and the plantation economy is characterized by chronic unemployment and uneven distribution of wealth.

EFFECTS OF AMERICAN OCCUPATION

Fifty years of United States occupation have aggravated the discrepancy between population and resources. Rapid economic development and improvement of sanitation and public health facilities in this period have, in fact, accelerated population growth and this, in turn, has held down living standards. The chief consequence of the occupation has been to intensify the colony's dependence on the United States for a free market.[4] The relationship, however, has not been altogether an unmixed blessing either for Puerto Rico or this country. Under the tariff preference, Puerto Rican sugar has reached a market in the United States to which Cuban sugar has not had access despite Cuba's better lands and lower production costs. But unprotected crops like coffee, which had been the most important export under Spanish rule, were adversely affected by the cession of Puerto Rico to the United States.[5] Specialization in a few export crops, notably sugar, has required underpaid Puerto Ricans to buy from the expensive mainland market almost all their manufactured goods and the bulk of their food supply.[6] The gain represented

1. For discussions of Puerto Rico's economic and social problems, which this Report attempts to summarize, see Victor Clark and others, *Porto Rico and Its Problems* (Washington, Brookings Institution, 1930); Earl James, "Puerto Rico at the Crossroads," *Foreign Policy Reports;* Vol. XIII, No. 15; and E. S. Garver and E B. Fincher, *Puerto Rico: Unsolved Problem* (Elgin, Illinois, Elgin Press, 1945).

2. Puerto Rico: Planning Board, Technical Paper No. 2, Frederick Bartlett and Brandon Howell, "Puerto Rico y su problema de población" (San Juan, 1946), p. 3.

3. *Ibid.*, p. 6.

4. For discussion of tariff assimilation of Puerto Rico by the United States, see Tariff Commission, *The Economy of Puerto Rico* (Washington, 1946), pp. 5-11.

5. For relative importance of seven major Puerto Rican exports for selected years, see S. L. Descartes, *Basic Statistics On Puerto Rico* (Washington, Office of Puerto Rico, 1946), p. 50, Table VI-7.

6. *Ibid.*, Table VI-8, p. 51. Foodstuffs constitute approximately one-third of Puerto Rican imports and about 60 per cent of all food consumed on the island is imported. A. D. Gayer, P. T. Homan, and E. K. James, *The Sugar Economy of Puerto Rico* (New York, Columbia University Press, 1938), p. 32.

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by the free market in the United States is thus offset to some extent by a high cost of living.[7]

One of the results of specialization for the continental market that brought a great deal of investment capital into the island is a hidden unfavorable balance of payments for Puerto Rico. Except in abnormal periods like the war, the gain to the island from the excess of commodity exports over imports is cancelled out by the net deficit in such invisible items as interest and dividend payments.[8] The adverse balance of payments has been the object of a great deal of critical comment by Puerto Ricans to the effect that the wealth of the island is being drained off by absentee sugar interests in the United States[9] which are regarded as the principal beneficiaries of the tariff arrangement. But the amounts leaving the island have not by any means been as astronomical as Puerto Ricans sometimes assert and are now declining, because the period of rapid development is over, agriculture is being reorganized, and industry is assuming greater importance in the formation of insular income. Whereas in 1928 payments of interest and dividends to outside investors amounted to about $12 million, in 1942 such payments had declined to approximately $9 million, and to $5 million in 1943.[10] In the war period, 1939-1944, net payments of interest and dividends abroad declined from over 2 per cent to 1.2 per cent of the total net income of the island.[11]

Apart from the benefits deriving from reciprocal free trade, Puerto Rico also receives considerable economic aid from the mainland. This aid consists of loans and emergency expenditures for hurricane, unemployment and work relief, and grants for agricultural adjustment, farm security, soil conservation, food relief, public health, and both military and non-military war projects.[12] From 1898 through 1943 these expenditures amounted to the rather modest sum of $306 million, 94 per cent of which was made after 1933, when sugar production was restricted.[13] The single most important feature of Federal assistance is the return of Federal excise taxes collected in the United States on mainland consumption of Puerto Rican rum and tobacco.[14] Rum sales on the mainland soared during the war, when thirsty Americans could not buy other liquors, and over $133 million were remitted to the insular treasury on this account in the period 1941-1945. After weighing various aspects of the economic association between the colony and the metropolitan country, a Tariff Commission report concludes that "the Puerto Rican economy has clearly gained much more than it has lost by the tariff arrangement, whereas the economy of the continental United States has lost more than it has gained."[15]

At the same time, however, the orientation of Puerto Rico toward the United States has disrupted the rural organization of life on the island, upsetting the old way in which land was owned and used[16-17] and people lived, without spreading the benefits derived from the new relationship among the entire group.[18] This is an understandable consequence of Puerto Rico's situation as an island—with few resources other than location in the tropics and an abundant labor supply—and as a strategically-placed neighbor of a great industrial power. The economic structure, however, is unable to support a rapidly growing population and the people, in turn, have little incentive to improve the structure.

Dispersed Handling of Puerto Rican Affairs

Puerto Rico's economic troubles are complicated by the absence of a clearly defined national policy for the eventual settlement of this "unincorporated territory's" political status and the lack of a strong agency responsible for the home direction of Puerto Rican affairs. The insular "constitution," the Organic Act passed by Congress in 1917 during an earlier war emergency, intended that Puerto Ricans should have a larger degree of local autonomy than that permitted by the Foraker Act of 1900, but at the same time reserved certain powers to the Federal government which are theoretically unlimited.

Federal control over the island is channeled through three different agencies: the President, Congress, and the Federal courts. The President, with the advice and consent of the Senate, appoints

7. Furthermore, goods may be moved to Puerto Rico only in vessels of U.S. registry, under the coastwise shipping laws, and the effect of this monopoly is to raise the cost of Puerto Rican exports by the amount which the rates charged by American ships represent over rates of cheaper foreign shippers.

8. Robert Sammons, *The Balance of External Payments of Puerto Rico, 1941-2 and 1942-3* (San Juan, University of Puerto Rico and Office of Statistics, April 1945) (mimeographed), pp. 6-12.

9. Juan Enrique Soltero, *El camino de la libertad* (Río Piedras, Editorial Libertad, 1946), p. 97.

10. *Porto Rico and Its Problems,* cited, p. 414. *The Balance of External Payments,* cited, pp. 48-55.

11. Daniel Creamer, *Puerto Rico's Income: Its Sources and Distribution* (Río Piedras, Social Science Research Center, University of Puerto Rico, 1947).

12. *The Economy of Puerto Rico,* cited, p. 4.

13. *Ibid.* Puerto Ricans point out that, while sugar production was restricted by artificial means at that time, maximum output would have been reached anyway within a few years. Hence Federal spending for rehabilitation was, they believe, economically justified.

14. Organic Act of March 2, 1917. As far as Puerto Rico is concerned, the remission of these revenues operates as an export tax, equalizing competition.

15. *The Economy of Puerto Rico,* cited, pp. 5-6.

16-17. *Porto Rico and Its Problems,* cited, pp. 495-500.

18. *Report of the Puerto Rico Policy Commission* (Chardón Report, Washington, 1934) (mimeographed).

the Governor and certain members of the Governor's Executive Council. In practice, the President makes these appointments and takes other action regarding Puerto Rico on the recommendation of his political advisers and of the small, underequipped Division of Territories and Possessions of the Department of the Interior.[19]

In default of a strong central agency for Puerto Rican affairs, members of the House and Senate Committee on Public Lands have been described as the "real rulers of Puerto Rico."[20] Acts of the Federal legislature have the same force on the island as on the mainland, unless Puerto Rico is expressly excepted. Congress may legislate exclusively for the territories and for Puerto Rico, in particular; and, as it has given, it may also take away prerogatives that the island now enjoys under the Organic Act. The constitution grants the Federal legislature a right to veto or repeal acts of the insular legislature and to legislate on the same matters. What makes Congress' influence paramount, however, is the power of the House Committee to extend or deny appropriations and to direct or withdraw the expenditure of internal revenue which accrues to the insular treasury. To Puerto Ricans the essential injustice of this situation lies in the fact that they have access to Congress only through a non-voting Resident Commissioner (who, by some electoral quirk, may represent a minority group),[21] and whenever Congress opens committee hearings to them. But sectional interests on the mainland may influence decisions that directly affect the life and livelihood of these two million offshore citizens. Actually, the permanent danger to their interests stems less from Congressional hostility, as Puerto Ricans believe, than from neglect. American public opinion, the only effective check on Congressional indifference, is seldom exercised in the case of Puerto Rico.

Frustration of the Executive

This overlapping of authority has impeded the insular government from functioning with maximum effectiveness. The Governor conducts his administrative relations through the Department of the Interior, but must also work with a host of Federal agencies whose policies and activities in Puerto Rico are not tied in with those of the Division to which the insular executive is immediately responsible. Moreover, this official must contend with the Congressional committees which, in the words of a former Governor, appear "determined to maintain direct managerial relations" with the insular government but whose interest is neither sustained nor consistently sympathetic. Another difficulty of the executive is the statutory provision that his cabinet appointments must be confirmed by the Puerto Rican legislature, which also determines the size of his staff and their pay. Congress clearly did not foresee the friction that inevitably would arise between the popularly-elected insular legislature and the appointed Governor coming from the mainland with little previous preparation, as a rule, for his task. A strong appointed Governor, however friendly to Puerto Rico, would be likely to regard these legislative powers as "constant attrition" upon his office.[22] Although leaders in the insular legislature admit that certain positions, notably those in the new public enterprises, ought not to be subject to legislative confirmation, they will cherish their powers as long as the Governor is not an elected official.

The possibilities of a broad interpretation of the law and of appeal from the decision of the insular government are numerous. In order to circumvent the insular authority, minority Puerto Rican opinion can and frequently has taken the avenue to Congress provided by the Organic Act. Appeal to Congress has thus been made repeatedly in protest against certain aspects of the reform program adopted by the insular legislature since 1940. Through its appropriating powers the House Committee virtually has the last word on Puerto Rico and, during the Tugwell administration, some members of the Committee attempted to use their position to embarrass the Washington administration by alleging "collectivism" in Puerto Rico.[23] The 1943 hearings held by the Senate and House Committees on the insular reform measures were accompanied by denial or drastic paring of appropriations.

The lack of institutional policy has had one positive effect in Puerto Rico: it acts as a constant irritant on island opinion. The fact that the Federal government appears to act arbitrarily, as for example, when President Truman vetoed the insular Language Bill (more than ninety days after its submission to him),[24] tends further to inflame nationalist feeling and discourage Puerto Ricans who believe that their best interests lie in association

19. Although the Foraker Act gave civil government to Puerto Rico in 1900, the Division remained in the War Department until 1934.

20. J. M. Jones, "Let's Begin With Puerto Rico," *Fortune*, May 1944.

21. A member of the opposition *Coalición*, Bolívar Pagán, was elected Resident Commissioner in 1940 by a narrow plurality, although he received only 39 per cent of the total vote.

22. For one view of the executive function in the insular government, see Rexford Tugwell, *The Stricken Land* (New York, Doubleday, 1947), pp. 12-13, 234-35.

23. "Let's Begin With Puerto Rico," cited; *Hearings* before Subcommittee of the Senate Committee on Territories and Insular Affairs, 78th Congress, 1st Session, February 10-May 5, 1943, and of the House Committee on Insular Affairs, October 26, 1943-May 11, 1944.

24. *Foreign Policy Bulletin*, November 8, 1946.

with the United States. The constant uncertainty as to Federal decisions has built up marked "colonial" attitudes and tensions, one of the signs of which is an exaggerated preoccupation with the state of Puerto Rico's relations with the United States. Since the time of the Spanish colony, Puerto Ricans of all classes have believed that final settlement of the political status question would be the panacea for many of their problems.[25]

The Republican party — to which belong the sugar producers, industrialists, financiers and all who have benefited by economic association with the United States — has consistently worked for statehood. But in 1924 one Republican faction joined with a wing of the Unionist party, which had previously stood for independence, in a coalition known as the Alliance and had the majority in the legislature until 1932. In the meantime, a Socialist party had been formed in 1912. The first party to suggest solutions for Puerto Rico's economic problems independently of the political issue, the pro-United States Socialist party, in its early years had a vigorous program akin to that of the British Labor party and experienced a rapid growth. In 1928, however, the Socialists combined with a dissident wing of the Republican party in the *Coalición* and, although the coalition won the insular elections in 1932, the crusading spirit had disappeared. At this time, too, the Unionists in the defeated Alliance reincorporated as the Liberal party, whose leadership, nominally pledged to independence, was conservative and unwilling to give any rein to the younger, ambitious nationalist elements among its members. The political status question overshadowed all issues of domestic import on which Puerto Ricans conceivably might have taken independent action. But the introduction in the Senate in 1936 of the first Tydings Bill, offering unconditional independence, acted as a shock treatment on many of those who had come to believe that independence was the only possible political solution. It forced nationalist-minded Puerto Ricans to analyze the economic implications of the various status proposals; to face the unpalatable fact that for the present Puerto Rico was economically wedded to the United States, for better or for worse; and to recast their thinking about the island's future accordingly. The result was the rise of a new party, pledged to reform within the existing political framework, which six years after its creation claimed the support of 65 per cent of the electorate.

A PLAN FOR PUERTO RICO

The appeal of the Popular Democratic party, founded in 1938 by Senator Luis Muñoz Marín, then a dissident Liberal, lay in its promise of immediate economic betterment for the small farmers, field hands and artisans. In simple, concrete language, the *populares* addressed themselves to the *jíbaros,* explaining that their votes would not be interpreted as a mandate on the party to work for any of the various status proposals. The immediate task was to be the fairer distribution of wealth—which means land to Puerto Ricans—and discussion of the political status question should wait until the island was in better economic position to consider the problem. The 1940 *popular* campaign was perhaps the first attempt "to educate the people out of abstractions into reality." It coincided with the *jíbaro's* inarticulate understanding that independence at this point would mean economic suicide and appealed to his hunger for land and his sense of proportions. It took into account the fact that, with war raging in Europe, the immediate prospects of obtaining independence—which with "economic stipulations" Muñoz then advocated[26]—were slight indeed for this Gibraltar of the Caribbean; yet it did not alienate the *independentistas* whom Muñoz took with him out of the Liberal party. Around the dominating figure of this leader gathered progressives, nationalists, experts and country people—a mixed following that contained elements of both strength and weakness. In 1940 the *populares* won a majority in both houses of the insular legislature by an insecure alliance with one Liberal and one Socialist in the House (although this alliance fell apart in 1943). At its second test at the polls, in 1944, the party won all but four seats in both houses.

The new political group won the election largely — though by no means solely — on the promise of agrarian reform. There had been earlier isolated attempts to improve land tenure conditions.[27] In an effort, apparently, to prevent the growth of monopolies and establish small, independent farmers, Congress had passed a joint resolution in 1900 forbidding the purchase or lease by corporations of land in excess of 500 acres.[28] This provision, later inserted in the Organic Act, was ignored by the sugar companies and apparently was overlooked by those advocating land reform. After a Puerto Rican Attorney General began in 1938 to enforce the "500-acre" requirement and the United States Supreme Court upheld the action, leaving it up to

25. Tomás Blanco, *Prontuario histórico de Puerto Rico* (San Juan, Bilioteca de Autores Puertorriqueños, 1943).

26. "Puerto Rico at the Crossroads," cited, p. 189.

27. For description of earlier tenure reforms, see Marshall Harris, "Tenure Reform in Puerto Rico," *Land Policy Review,* Spring 1946.

28. For account of the origins of the "500-acre" resolution, see *Puerto Rican Public Papers of R. G. Tugwell, Governor* (San Juan, 1945), pp. 294-306.

the insular government to determine how the new policy was to be carried out, the question of future land ownership took on added importance.[29] According to ex-Governor Tugwell, the reform originally called for the redistribution of wealth by breaking up the large estates into small family-type farms.[30] The much amended insular Land Law of 1941, however, provided an interesting alternative—the proportional-profit farm. It was devised to maintain on "high yield" sugar lands, where division is impractical, the production standards achieved under competitive private operation while distributing the income derived from large-scale enterprise more widely.

The Development Plan

Legislative action since 1941 consistently reflects the new emphasis on increasing the means of livelihood through the extension of government services. The mass of legislation falls into four main categories: agricultural reorganization and crop diversification, industrialization, public ownership of utilities, and government reorganization.

1. *Land Reorganization.* The Land Law of 1941 created a board known as the Land Authority in the insular Department of Agriculture.[31] This board was empowered (1) to end corporate *latifundia* and prevent their reappearance in the future; and (2) to use the land acquired by legal action and purchase to establish owner-operated family farms (Section 25), subsistence plots for *agregados* (Title V), and "proportional-profit" farms (Title IV). The Land Authority, during a period of five years after the land has passed into receivership, has preference to buy at the court valuation, and after five years it has preferential purchase rights, provided it offers a price equal to that of the highest bidder. The Authority's main sources of funds derive from appropriations and special bond issues.[32]

Qualified farmers who do not own other land are being settled in the interior on tracts varying from 5 to not more than 25 acres. The farmer has the right to use the products of the farm for life in return for an annual payment large enough to repay the principal in 40 years, with interest at 3 per cent. While he is at full liberty to produce whatever crops he wishes, he is expected to practice soil conservation. All improvements made on the property and the growing crops belong to him; and, in case of death, his heirs receive the amount paid on the principal, or one of the heirs may be permitted to continue the usufruct.

The purpose of Title V was not to set up the *agregado* as a farmer; but rather to alleviate the living conditions of the rural squatter, give him a supplementary source of income, and halt the exodus to city slums. The plots vary in size from one-quarter of an acre to 3 acres, and although the law stipulates a nominal payment for plots larger than one-quarter of an acre, the Authority has not attempted to collect. The only requirement upon the recipient is that he may not transfer the property in any fashion; he is not under any obligation to work in Authority projects. On his plot of land the *agregado* usually grows food crops such as potatoes, corn and yuca. The Title V program is considered so important that it has a separate budget, special appropriations, and its operating expenses are charged against the Authority's General Fund.

The heart of the land-tenure program is the proportional-profit farm. The farms vary in size, depending on their situation, but their area is not held to 500 acres. There may be as many as six *colonias,* or units, in a project, the boundaries roughly following the old subdivisions of the private estate from which the lands were acquired. The farm is "leased" to a manager, who may be a farmer, an agronomist, or a person with experience in agricultural management. He receives a portion of the net profit—ranging from 1 to 15 per cent—and the remainder is distributed among the field workers according to days worked and wages received. The Authority supplies the land and the operating capital, receiving up to 3 per cent of gross income on the investment, audits all accounts and supervises the fulfillment of the contract. It has also entered the industrial phase of sugar production with the purchase of two sugar mills.

In the agricultural field the developmental agency is the Agricultural Development Company, established in 1945, with an appropriation of about $13 million. This instrumentality is designed to take up where the government experiment stations stop: to develop commercially, on the pilot plant scale, new and improved crops, the usefulness of which had already been thoroughly demonstrated by research. Another of its functions is the improvement of the distribution system, and a third is the development of neglected areas.

2. *Industrialization.* Wider distribution of income among the increasing population was clearly only half of the solution to the economic problem; it was evident that what possibilities existed for increasing insular wealth should be exploited to the utmost. Hitherto the great sugar industry had absorbed available local capital and services. But even in this field the possibilities of further development had not been capitalized. The island does not possess metals but has ample resources of clay deposits, glass sands, bamboo, fibers, vegetable oils, and so forth, and the sugar industry yields by-products like bagasse and molasses of which industrial use can profitably be made. It seemed desirable to branch out in three directions: industries servicing raw sugar and rum manufacturing; consumer goods for the local market; and "specialty" articles for export.

In 1942 an insular law created a Development Com-

29. *People of Puerto Rico vs. Rubert Hermanos, Inc.,* March 25, 1940, 309 U.S. 543.

30. *The Stricken Land,* cited, p. 7.

31. Puerto Rico, Autoridad de Tierras: *Ley de Tierras de Puerto Rico,* Ley No. 25 (as amended to 1945), and *Reglamento de la Autoridad de Tierras* (San Juan, 1945).

32. Autoridad de Tierras: *Informe anual año fiscal 1945-46* (San Juan, processed, 1946), Anexo No. 1.

pany, modeled after the new Latin American enterprises, and a Development Bank to fill the long-felt need for a source of investment capital on easy credit terms. The Development Company has already received appropriations totaling about $13 million and has authority to issue bonds to the value of $5 million. It is authorized to make loans to private companies and to create and finance producing subsidiaries which are intended to point the way for private industry. An important part of its program is design, cost and market research for the guidance of private capital.

3. *Governmental Reorganization.* The expansion of government services since 1941 underlined the need for overhauling the antiquated administrative structure, and, in particular, for centralizing administrative services distributed among the seventy-seven municipalities, reducing the political hold over appointments, and reorganizing the defective financial system. The good working relations between ex-Governor Tugwell and the *popular* majority made it possible to achieve considerable progress along these lines during the former's administration. The most far-reaching innovation was the creation of a Planning, Urbanizing and Zoning Board in 1942 to coordinate the activities of the new public enterprises, as well as to regulate the use of land. A regulatory agency for the island as a whole, the Planning Board directs private real estate development through urban zoning and guides public development by means of budgetary recommendations. Public projects are fitted into a flexible six-year master plan in which the requirements of the particular enterprises are met as public interest and the present and future situation of insular revenues may suggest.

UNSOLVED PROBLEMS

Private Puerto Rican producers have attempted to show that the Land Authority has not approached their production record.[33] The Authority maintains, however, that its purpose is to produce sugar as efficiently as is consistent with land conservation, the living conditions of the farm worker, and the interests of the *colono* who sells his cane to the Authority.[34] Since however, many aspects of sugar production are controlled, comparison at this point seems difficult. As "cooperatives," the proportional-profit farms receive larger benefits than privately operated lands, and wages—the largest cost factor—are closely determined in the United States contract with insular producers.

The most serious problem with which the insular government is confronted in recasting its agricultural economy is the highly uncertain future of Puerto Rico's sugar. At present the United States sugar industry is controlled by a complicated patchwork of arrangements dating back to 1934 and designed to meet the problem of over-supply. Should a break occur in this fabric of quotas, subsidies and preference, Puerto Rican sugar interests, including the Land Authority which is on the way to becoming an important producer, would be seriously affected. The island's high-cost sugar is continually on the defensive in Washington against the western beet area, the Louisiana and Florida cane growers with their vocal lobbies, and the Cuban interests with their State Department support. As a matter of fact, Puerto Ricans are generally dissatisfied with the existing production and marketing arrangements.[35] (Quota arrangements were set aside in 1942, and since then purchase of the crop has been negotiated on an island-wide basis with the Commodity Credit Corporation.)

The sugar problem is, as Puerto Ricans are fully aware, more political than economic. As long as the United States continues to guarantee its own supply of sugar, they believe that "Authority" sugar will have a market on the mainland. If Puerto Rico should be given independence, the only basis on which it could compete successfully with domestic and offshore shippers would be with a "handicap" such as Cuban sugar possesses.[36] In time sugar production, even the cane-cutting phase, will become highly mechanized and, as such, a high-wage industry providing revenue but fewer opportunities for employment. The slack in employment will have to be taken up in other ways, and for these reasons the efforts of the developmental agencies to break out of the one-crop pattern seem well considered.

Industry and Political Status

Creation of new industries in Puerto Rico has been viewed as an alternative to increasingly large outlays of Federal money for relief purposes. Puerto Rico has certain resources—notably its subtropical location and relatively cheap labor supply—which could be turned to account. The initial difficulties are readily apparent. For the present the insular government has assumed the business risk. Future growth must depend both on the profitableness of the industry and the availability of insular savings for industrial expansion. Private capital has been reluctant to follow the government's lead. Without a large reservoir of local capital and a highly productive skilled labor force on which to draw, new industries must be of a type requiring relatively

33. "Business Can Do It Better," *Economic Review* (San Juan, Chamber of Commerce), June 1944.

34. Raul Gandara, *La ley de tierras de Puerto Rico* (San Juan, 1942), p. 7.

35. *What Sugar Means To Puerto Rico,* cited, pp. 36-39.

36. Even on this basis, however, Puerto Rico would have to pay one-fifth of the cost of its sugar exports to cover U.S. tariff duties, it is estimated. Rafael de J. Cordero, "Algunos factores económicos en el problema político de Puerto Rico," *Boletín de Comercio* (San Juan), January-February 1944, p. 4.

little capital and much labor, like the government textile mill using sea island cotton. The need for keeping down the cost of labor—where Puerto Rican industry has a competitive advantage—presents particular problems under present arrangements because the concept of "social income" is so intimately involved. Since Puerto Rico is covered by the United States tariff, the insular government cannot use the expedient of tariff protection to which industrializing countries frequently resort, and must apply other tools such as subsidies. To the extent that tariffs might adversely affect insular exports, this is perhaps fortunate. For regardless of the eventual political adjustment, new industries must be slanted toward the export market in order to add to the island's purchasing power abroad.

How the new public enterprises are to be financed in the short-term, with revenues declining, is a source of considerable preoccupation for the insular government. The war furnished increased income as a result of greater rum consumption on the mainland and Federal spending for war projects in the island (including military pay and allotments).[37] Receipts from United States internal revenue taxes jumped from $3 million in 1940 to a record high of $64 million in 1944, and insular government income from all sources increased from $48 million to $147 million during the same period.[38] Since the peak year 1944, the rum revenues which floated insular prosperity have fallen off; in 1945 they were $37 million and in 1946, $17 million. The Planning Board estimates that, provided the rum industry is further developed, they will be stabilized at $20 million annually during the next six-year period.[39] The insular legislature has determined that the windfall should be largely allocated to income-creating projects—irrigation works, new industries, agricultural development, and so forth—rather than to the tax-supported agencies for new schools, public health centers and low-cost housing. This was a painful decision, since the latter needs clamor for attention. It was felt that forced expansion of social services at this time would incur greater operating expenses than the government could afford to carry in ordinary times; whereas the new public enterprises would create income which could be taxed to permit gradual enlargement of these services.[40]

This "pay-as-you-go" program will have to be supplemented by public borrowing, it is believed.[41] But this assumption rests on the expectation that income tax collections can at least be maintained at current levels and that Federal revenue will be rebated to the insular treasury for expenditure as the insular government directs. Budgets worked out for the next five years by the Planning Board naturally cannot anticipate possible Congressional action on the rum revenues[42] or a change in the island's political status.

37. *Puerto Rico's Income,* cited.

38. *Basic Statistics,* cited, Table IX-1, p. 69.

39. Puerto Rico Planning Board: *Third Six-Year Financial Program for the Fiscal Years 1946-7 to 1951-2* (San Juan, 1946), p. 1.

40. *Ibid.,* Table I, p. vii.

41. *Ibid.,* Appendices A and B, pp. 41-42.

Planned Emigration

The measures projected to alleviate Puerto Rican living conditions will not suffice by themselves to bring insular resources into ratio with the number of people. Population control is therefore an essential—perhaps the most essential—part of the program. The insular birth control law of 1937 has had no appreciable effect on the birth rate. Emigration, moreover, has been on an individual basis, fluctuating according to the season and the barometer of economic conditions on the island and abroad. At the present time, there is a heavy exodus of Puerto Ricans to the continent. The number of persons who left the island in the first nine months of 1946 was estimated to be 36,218.[43] Even if this net outflow could be maintained over a long period, it is only a fair-weather solution of the problem. Those who are leaving the island now, in many cases, go without security and without requisite language and job skills, and their tendency to remain at the point of entry is creating a new minority problem in over-crowded cities like New York.[44] A program of settling one million Puerto Ricans on the continent and in neighboring Spanish-speaking countries has been seriously advocated as the only means of solving the economic problem.

TOWARD A POLITICAL SOLUTION

In order to become politically more independent, it is frequently asserted that Puerto Rico must become more independent economically. These two interwoven themes are so frequently encountered in insular planning as to take on the quality of a leitmotif. At the present time it may appear that economic diversification is premised on the maintenance of the present status; yet the present status is so subject to change without notice that a prior

42. It is recalled that in 1943 the House Insular Affairs Committee adopted the Cole amendment to obligate rum revenues for Federal work projects, with preference to Army and Navy projects. For conjecture on this score see numerous articles in the San Juan press during November and December 1946.

43. The Social Science Research Center of the University of Puerto Rico has a report on emigration in preparation.

44. See statement of regional director of the Veterans Administration in Puerto Rico, *El Mundo,* November 1, 1946; and editorial, "El éxodo crece," *ibid.,* November 2, 1946.

decision on political status, and its economic concomitants, seems necessary before economic planning can go forward. The question constantly intrudes upon considerations of political allegiances and of such vital administrative problems as, for example, the development of desirable standards for the insular civil service and the unions of government enterprises.[45] The very size of the Popular party, which in a sense absorbed its own opposition in the last elections, makes it difficult to impose discipline upon the members, among them the *independentistas* who followed Muñoz into the party and the element found in any political organization which merely floats with the times. The *independentista* group is becoming more aggressive, and if it cannot impose its solution upon the leadership it will break away en masse to the new Independence party now forming.[46] The nucleus of the movement is the Pro-Independence Congress which draws its support from a diverse group: Hispanist-minded intellectuals, some city workers — among them Communists — and a number of Popular members of the legislature.

Confronted by the *Coalición,* which was shattered in 1944 but hopes to make a comeback with the help of the Republican majority in Congress, and harried in the rear by its *independentistas,* the Popular leadership is under constant temptation to make some concession either to the Right or to the Left. This temptation extends, as well, to its relations with the Federal government. The comment has been made that, in order to achieve a greater degree of "home rule," the Popular party would be willing to temper its economic program to conform somewhat more with the conservative outlook in Congress.[47] Senator Muñoz and his supporters therefore believe they must obtain an immediate commitment from the Federal government on at least the minimum proposal for an elective governorship. They have joined the procession of delegations that have recently made their way to Washington to test out Congressional opinion regarding their respective status proposals.

Statehood

The advocates of statehood argue that it has clearly been the intention of the United States progressively to accord Puerto Ricans the rights and responsibilities conferred on the people of the forty-eight states, culminating in full statehood.[48] They contend, furthermore, that under United States occupation the island has built up a dynamic economy, as shown by the increase in bank deposits and industrial plant capacity.[49] The acquisition of statehood will bring distinct further gains. Puerto Rico would, to be sure, "lose" its revenue collections on products consumed in the island and on those exported to the mainland and, in turn, would be required to pay individual and corporation income taxes on the same basis as other states. The total loss has been estimated at close to $12 million a year. At the same time, however, the state of Puerto Rico would be entitled to receive Federal aid and loans in much larger amounts than it now receives, and the increase in Federal aid would more than offset the income from special tax privileges the island now enjoys.[50] Puerto Rico, it is believed, must have the assurance of free trade with the mainland which can only be obtained under statehood.

Arguments advanced against association with the forty-eight states center on the belief that cultural and language differences would make it impossible for Puerto Rico ever to become an integral part of American life; and that its representatives in Congress would argue narrow sectional interests, and argue them unsuccessfully because of the island's small representation. Advocates of independence, moreover, assert that incorporation of Puerto Rico as a state would appear "imperialistic" in the eyes of other countries, especially the independent Latin American countries. On economic grounds, there would be no assurance that Federal aid beyond that which the island now receives would be forthcoming, unless the insular government would share in the cost of special programs such as social security.[51] The proponents of statehood, on the other hand, think not only that independence would be ruinous, but that the present administration—in preparing the ground for economic independence—is taking the road to destruction. Under

45. Rexford and Grace Tugwell, "Puerto Rico's Bootstraps," *Harpers,* February 1947. For a general discussion of the needs of "good government," see statements by Senator Muñoz and ex-Governor Tugwell in the record of the Public Administration Conference, October 29, 1945 (San Juan, University of Puerto Rico and Puerto Rican Civil Service Commission, 1945).

46. At a party convention in the early part of 1945, several *independentistas* were dropped from party rolls as a result of activities judged to exceed the party's political terms of reference.

47. "Puerto Rico's Bootstraps," cited.

48. Reece B. Bothwell, "En torno al status político de Puerto Rico," *Caribe,* November 1941, Vol. I, No. 1.

49. "Puerto Rico is Ready for the Responsibilities of Statehood," unpublished manuscript by Luis Ferré, President of Pro-Statehood Association.

50. *Hearings before the Senate Committee on Territories and Insular Affairs on S. 227,* 79th Congress, 1st Session, part 2 (Washington, D.C., 1945), pp. 173-83.

51. The Tariff Commission has published an analysis of the economic implications of the various status proposals in *The Economy of Puerto Rico,* cited. For an objective abbreviated account of the arguments for and against, see Clarence Senior, *Self-Determination For Puerto Rico* (New York, Post War World Council, April 1946).

Progress of Public Enterprise in Puerto Rico

By Olive Holmes and O. K. D. Ringwood

After the Popular Democratic party's victory in 1940 the insular government greatly expanded its activities in the economic sphere.[1] Lands held by private corporation in excess of the 500 acres permitted by the law were expropriated, power facilities and the means of transportation were acquired, and the Land, Transport and Water Resources Authorities were created. To develop new income-creating industries the Development Company and the Agricultural Development Company were established. In 1945-46, 45 per cent of outlays from the General Fund were made for developmental purposes, 16 per cent for the land tenure program, 4 per cent for public utilities, and only 34 per cent for all other government services.[2]

Through 1946 the Land Authority had acquired about 63,000 acres of land, almost 3 per cent of the entire area of the island. After the Supreme Court decided the test-case of Rubert Hermanos, Inc., in the insular government's favor, other companies, with the notable exception of Eastern Sugar Associates,[3] have submitted to consent decrees. The three proportional-profit farms now in operation under article 25 of the Land Law are located in the north-central part of the island where less cane is produced per acre than in the cane lands along the southern coast. Negotiations, however, are underway with three large companies for the purchase of extensive sugar lands in the south.[4] Of the three farms, or projects, Cambalache (in its third year of operation) and San Vicente showed a profit in 1946; but in the Toa lands (which are in their second year of operation) only two of the six *colonias* in the project made a profit. Losses in the other four *colonias* will be charged off against future profits of the *colonias*—each of which has a separate account with the Authority.

The Land Authority has also acquired two sugar mills: Cambalache, which has already completed one grinding season, and Plazuela, which started grinding under new management in January 1947. In the Cambalache mill 350,937 tons of cane were ground with a profit of $166,420.91, after costs and 5 per cent interest on the invested capital were deducted. Unskilled laborers received 44 cents an hour at this mill and at Plazuela, a wage asserted to be higher than that of any other central in the island. At Cambalache the workers' share of the profits was $32,787.24, or the equivalent of 10 cents on every dollar received in wages during the year; and the private farmers who had sold cane to the mill received a bonus of 5 cents on each twenty-pound weight of raw sugar produced from their cane.[5]

Under Title V of the Land Law 126 rural communities have been established, including more than 15,000 garden plots and reaching an estimated 77,000 people. During the first years of operations the need for resettlement was so urgent that *agregados* were placed on whatever lands were available, even on fixed sand dunes. Although the Authority is empowered to provide building materials, it has not been able to do so because of present shortages, which presumably have also held up construction of schools, churches, medical centers, and recreational facilities for which land has been set aside. Since 1945 the establishment of rural communities has been slowed down pending completion of an island-wide rural survey.

The Agricultural Development Company has only been in existence for two years and much of its activity is still in the planning. It has placed in operation in San Juan an average-priced market, the *Praco*. Activities which are already under way or projected for the near future are the development of a beef cattle and dairy industry on the small near-by island of Vieques, construction of a cigar and cigarette factory, fishery development, and the processing of fruits, vegetables and other food products.

Before the creation of the Development Company, the only experience of the government with industrial management had been in the cement plant established by the Puerto Rico Reconstruction Administration. The first industry established, the glass container factory, grew out of a war-time need to manufacture bottles for the rum industry when containers could not be obtained from the continent in sufficient quantity. The bottling plant, which is partially financed by local distillers, will also produce other types of glass. A paper mill adjoining the factory supplies cartons made out of bagasse and waste paper to the rum industry. The Company, in cooperation with the Land Authority, will put up a plant near the Cambalache sugar mill to produce wallboard from the central's bagasse. Other enterprises include a shoe factory in Ponce, a ceramics plant and a textile mill, and plans are afoot for the establishment of other small industries in cooperation with local private capital.

1. See pp. 286-87.

2. Puerto Rico Planning Board: *Third Six-Year Financial Program for the Fiscal Years 1946-47 to 1951-52* (San Juan, 1946), Table I, p. vii.

3. *New York Times*, November 12, 1946.

4. *El Mundo* (San Juan), November 5, 1946.

5. Autoridad de Tierras, *Informe anual año fiscal 1946* (San Juan, 1946), p. 4.

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MR. JAMES PACKARD RIS-6
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FOREIGN POLICY BULLETIN

An interpretation of current international events by the Research Staff of the Foreign Policy Association
FOREIGN POLICY ASSOCIATION, Incorporated
22 East 38th Street, New York 16, N. Y.

G. I. R. -9

VOL. XXVI, No. 26 APRIL 11, 1947

U.S. APPRAISES TRUMAN POLICY OF INTERVENTION

THE discussion precipitated in the Senate and throughout the country by President Truman's statement of March 12 on Greece and Turkey has had the effect of uncovering some of the principal issues raised by the Administration's decision to play an active and continuing part in world affairs. Looking at the past decade in perspective, the Truman Doctrine might appear to be only a development of the policy gradually formulated by President Roosevelt who, beginning with his "quarantine" speech of 1937 and ending with his last message to Congress in January 1945, pointed out with increasing emphasis the necessity for this country to accept world responsibilities not only in time of war, but also in time of peace. Actually, however, while President Roosevelt envisaged international cooperation with all of the United Nations, President Truman contemplates American intervention in a given area to oppose Russia and totalitarian regimes.

The significant aspect of the current debate is that it centers not on the question whether isolation is preferable to intervention, but on the need for intervention in this particular case, the form intervention should take if it is necessary, and this country's capacity to pay the resulting cost. Only yesterday, it seems, the United States had been merely an interested spectator of the international scene, applauding the hero or hissing the villain, occasionally offering peacetime advice, intervening in two world wars, but feeling little or no responsibility for the outcome of the drama. Now it is cast for the principal role. And in this new role it is beginning to learn that participation involves hitherto unsuspected obligations, sacrifices and anxieties.

1. *Intervention Costs Money.* The first lesson brought home by the Truman Doctrine is that, if the United States is to achieve its two primary aims—check the spread of Russia's influence, and help "free peoples" achieve economic and social conditions favorable to political democracy—it will have to expend resources in money, goods, and technical assistance to an amount whose total cannot even begin to be estimated. The suggestion made by Senator Byrd on April 6 that Bernard M. Baruch be asked to make a study of this country's internal resources and its capacity "to pay the bill" can be carried out if the subject of the study is the amount of money the United States as a nation can afford to invest in or give to other countries for their reconstruction, now recognized to be inextricably linked with our own economic well-being. It would be well-nigh impossible, however, to estimate the ultimate cost of aiding all countries which, because of their present economic plight, are susceptible to Russia's pressure or to Communist propaganda.

2. *U. S. Aid Must be Controlled.* The chief reason for this is that the Truman Doctrine, in its present form, constitutes an open invitation to all countries fearful of Russia or of native Communists or both to seek financial aid from the United States, not only for peacetime economic reconstruction but also for military establishments, without imposing on them the obligation to put their own house in order so as to reduce the pressure of extreme Leftist groups. The testimony of veteran American correspondents in Athens, for example, indicates that the Greek government, which has disregarded Britain's advice concerning reasonable restraints on the use of funds supplied by the British government to finance imports, has no intention of heeding the advice of the United States. Genuine sympathy for the plight of the Greek people—which, it should not be forgotten, was due in the first place to the depredations of Italy and Germany, not Russia—should not obscure the

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problem created by the reported unwillingness of the Greek government to accept outside curbs on its financial policies, which include permission to import luxuries sold at black market prices, and refusal to reform the system of taxation, which at present works to the advantage of the wealthy segment of the population.

3. *Half-Way Measures Impossible.* This situation points to a third problem confronting the United States—the need to supervise the expenditure of funds it may furnish to "free peoples." Such supervision, contrary to some of the statements made by Administration spokesmen before the Senate Foreign Relations Committee, will probably involve intervention in the political affairs of the peoples who request and receive aid from the United States. So far the Administration has sought to draw a distinction between financial aid, even when accompanied by technical advice, and political intervention. This is understandable, since it has been the traditional policy of the United States, under the Monroe Doctrine, to insist on non-intervention by other nations in the affairs of the Western Hemisphere, and to adopt an attitude of political non-intervention in the affairs of at least some countries outside the hemisphere, notably Spain. The United States itself, however, has from time to time resorted to political intervention in the Far East and in Latin America—and is now beginning to do so in Europe. In practice it is difficult to see how the United States government will be able to furnish money to other countries in time of peace without wanting to make sure that its contributions, which could otherwise be usefully expended at home, are devoted to what it considers constructive purposes.

4. *Collective Action the Answer.* The United States could easily become the target for charges of "imperialism" and "dictatorship" unless—and here is the crux of the matter—it conducts such intervention as it undertakes within the framework of the United Nations organization. Under pressure of public opinion the Truman Doctrine, which originally made no provision for UN supervision of American aid to Greece and Turkey, has been modified by the March 28 statement of Warren R. Austin, American delegate on the Security Council, and by President Truman himself at the Jefferson Day dinner on April 5 at which he said that the United States must, when necessary, "supplement" the activities of the United Nations. Senator Vandenberg, who has displayed high qualities of statesmanship in his handling of this issue, has proposed that the United States, waiving its veto in the Security Council, should accept the decision of the majority in the Council or two-thirds in the General Assembly concerning discontinuance of American aid to Greece and Turkey.

In the historic struggle now being waged all over the world between concepts of national sovereignty and international organization the United States, on the question of aid to Greece and Turkey, has indicated a desire to work within the terms of the UN Charter. This decision, if carried out with determination on all other issues, would greatly strengthen this country's position in its criticism of unilateral intervention by Russia in the affairs of neighboring countries. At the same time, study might be given to the question whether non-intervention as previously understood is compatible with international organization. Dr. Alfaro, speaking in the Political and Security Committee of the UN Assembly on December 3, offered an approach to this problem when he declared that intervention is a "fetish word," and added that the theory that no individual state can intervene in the affairs of another does not bar collective action by the community of nations.

VERA MICHELES DEAN

SUCCESS OF GENEVA TRADE PARLEY DEPENDS ON U.S. TARIFF POLICY

Under UN auspices the representatives of seventeen nations which account for over 90 per cent of world commerce gathered in Geneva on April 10 to conduct negotiations for the reduction of tariff barriers, and at the same time to complete the draft for an International Trade Organization (ITO). This is an unprecedented conference, for never before have so many governments acted simultaneously to reduce trade restrictions. No other world economic conference, moreover, has been preceded by such careful and detailed preparation.

U.S. DELEGATION HANDICAPPED. Elaborate planning, however, will not of itself assure the success of the Geneva meeting. Much will depend on whether the tariff negotiators of other nations are prepared to proceed on the assumption that the American delegation can and will grant generous concessions. The Reciprocal Trade Agreements Act of 1945 authorized a cut of as much as 50 per cent in the tariff rates in force as of January first of that year. It is therefore possible for this country to make substantial concessions. Some members of the Republican majority in the present Congress, however, have directed an all-out attack in recent weeks on the Administration's trade program. These members, most of whom represent western states in which farm and mining interests predominate, have insisted that the United States should not be represented at Geneva.* Their attack proved unsuccessful, but only because the Administration accepted a compromise whereby all trade pacts are to contain a safeguarding clause permitting cancellation of any concessions that threaten "serious injury to domestic producers."

*See *Foreign Policy Bulletin*, February 7, 1947.

was also agreed that the U.S. Tariff Commission shall review any duty reduction concerning which a complaint is made after the concession becomes effective. Given these stipulations, other governments may well question the permanence of any tariff cuts made by the United States.

Although the United States has vast economic strength compared with the straitened circumstances of countries whose productive capacity was seriously crippled as a result of war—our negotiators are subject to limitations which are hardly in keeping with the strong position of the American economy. If the Republican opponents of the program represented a group as substantial as it has been vocal, then the outlook for world economic cooperation would be grim indeed. The trade program, however, has been endorsed by several important industrial and trading groups, not to mention the many millions of consumers who appreciate the lower prices it would bring. Thus the proposed ITO, whose charter will obligate members to reduce their trade barriers steadily, has been endorsed by the National Association of Manufacturers, the National Foreign Trade Council, the League of Women Voters, the United Automobile Workers Union, etc., as well as by many prominent industrialists and economists.

BRITISH TARIFF POLICY. Whether these proponents of freer trade can so marshal their strength as to sustain the Administration in a showdown with the protectionists is a question of great moment to the British. Addressing the House of Commons on the eve of the Geneva meeting, Sir Stafford Cripps, President of the Board of Trade, noted with regret the limitations applied to the bargaining power of the American negotiators, but expressed the hope that some success could be achieved. He again reminded the Commons that British exports must reach a volume at least 75 per cent above the level of 1938, if the standard of living for that year is to be restored. Under the circumstances Britain, he said, welcomed any plan to increase world trade.

In answer to those who oppose reductions in Empire tariff preferences—a system instituted in 1932 whereby members of the British Commonwealth enjoy special low duties in their mutual trade—Sir Stafford declared that the Dominions and colonies could not possibly supply all the raw materials Britain has to import, nor do they provide a market large enough to absorb the volume of goods Britain must export. At an earlier gathering of Commonwealth representatives in London, this same line of reasoning was used to overcome opposition, particularly by Australia and New Zealand, to the gradual elimination of preferential tariffs.

But if the London and Dominion delegates at Geneva are prepared to give up their preferential trading system, they will actually do so only provided other countries—primarily the United States—make generous compensatory adjustments in their import controls. Australia and South Africa, for example, have indicated that in return for freer entry of American manufactures into their markets, our duty on wool must be cut by 50 per cent. New Zealand will demand a substantial lowering of the American tariff on butter, and Canada will seek a larger market here for its farm produce, newsprint, etc. London will ask for a lower American duty on woolen and worsted cloth, also sought by the French. Since the Commonwealth delegates will bargain in concert, the American negotiators will have to face squarely the issue of increased competitive imports, if concessions are to be obtained for our exporters.

FREE ENTERPRISE AT STAKE. American wool growers, woolen manufacturers and dairy interests, however, have always taken the lead in the crusade for a high tariff. How far the Administration can go in overcoming their opposition will have an important bearing on the ultimate outcome of the ITO program. Failure to make real progress in reducing our tariff rates, many of which remain high, can only mean that our exports will shrink—a development that will be all the more serious since productive capacity in both industry and agriculture were greatly expanded during the war.

While the primary goal of the American trade program is a higher and more stable level of world prosperity, a broader and no less important purpose is the promotion of free enterprise in other countries. Bargaining at Geneva will focus on tariff rates, quotas and other trade controls, but underlying the negotiations is the fundamental issue of whether there shall be further state control of economic life. The outcome of the parley may well determine the extent to which the trend toward economic nationalism, begun during the world depression of the 1930's, can be reversed.

HAROLD H. HUTCHESON

The Trade of Nations, by Michael A. Heilperin. New York, Knopf, 1947. $3.00

An excellent survey of the world trade problem, with particular reference to the United States. The case for freer, multilateral trade and exchange is cogently argued. Constructive suggestions are made for the improvement of our tariff policy.

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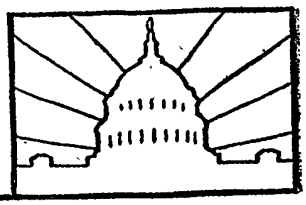
Washington News Letter



UN TALKS ON PALESTINE RAISE NEW ISSUE FOR U.S.

The Washington Administration today sees Palestine in a new light and as a new problem. In the past the White House has freely given advice about the Holy Land in the safe knowledge that it would be Britain's task, not ours, to turn advice into action. Now, however, the White House and the State Department are preparing for the first time to formulate a policy for the execution of which we might have at least partial responsibility. The possible prospective change in American relationship to the Holy Land results from Britain's decision to refer the Palestine problem to the United Nations. Whatever responsibility, if any, the UN eventually takes for Palestine will also be ours as a member of the UN.

U.S. ENCOURAGES DELAY. Yet the Administration is putting off the decision about the nature of an official responsible American policy toward Palestine as long as it can. It foresees difficulties in arriving at a clear, realistic policy for two main reasons: first, because of profound disagreement among Americans about the merits of the conflicting causes of Arab and Jew in Palestine; and, second, because of the tendency of Americans to look on the Holy Land as the scene of a struggle between Jews and Arabs, rather than as part of a strategic area which, in the Administration's view, is vital to the security of the United States.

Washington's desire for delay will guide the special Palestine session of the General Assembly, which will probably meet in May. Britain has agreed to the request of the United States, made on March 29, that the Assembly limit its action next month to the appointment of a fact-finding commission and instruct it to report to the regular Assembly meeting in September. After negotiations by the British with Jewish and Arab representatives for a Palestine settlement had broken down on February 10, Britain on February 14 made the forthcoming collective inquiry possible by turning to the UN. On April 3 Britain formally requested the UN to summon an extraordinary meeting of the General Assembly after obtaining assurances that the United States, France and the Soviet Union would support its proposal. Following the UN meeting the United States intends to act cautiously and avoid leadership in the collective search for a settlement of the Palestine problem. For whether it is a member of the proposed fact-finding commission or only an onlooker, the United States does not wish to be offered the Palestine mandate. Britain, it should be noted, has not said that it plans to surrender the mandate.

AMERICAN INTEREST. The basic questions about Palestine which the United States has yet to answer are, first, whether we have a real interest in that country and, second, how we can protect our interest if it exists. In his statement of March 12 on Greece and Turkey President Truman implied that the United States is directly concerned in the entire Near and Middle East. A disorderly Palestine, unsettled by armed conflict between British military forces and Jewish guerrillas and civilians, could tempt other powers to interfere in Palestinian affairs and thereby add to American difficulties in attaining the goals Mr. Truman hopes to achieve through his policy on Greece and Turkey.

Humanitarian and political considerations prevent the Administration from proposing a solution for Palestine in terms calculated to safeguard our purely strategic interests. Disturbed by the plight of the Jews still in DP camps in Europe, the White House has urged that 100,000 European Jews be settled in Palestine. This proposal aroused the anger of the Arab League, whose Council on March 29 declared that the American immigration suggestion has "affected the good relations between America and the Arab States." The Arab states in the UN, moreover, objected to the special session of the General Assembly.

Conflicting points of view in the White House and the State Department regarding the Palestine problem add to Washington's dilemma in attempting to define a workable policy. While presidential statements during the past 18 months have consistently reflected sympathy with Jewish hopes in Palestine, the State Department—which favors the Arab cause—has argued in official councils that since the United States has tangible interests in communications lines and oil concessions in Arab countries, especially Saudi Arabia, it would be dangerous for us, by supporting Zionism, to run the risk of permanently alienating the good will of the Arabs who might, it is argued, turn to Russia. Others, however, contend that the ruling Arab groups have no desire to work with Moscow, and that a strong Jewish state in Palestine would support our strategic interests more reliably than the Arabs. These conflicts of outlook and judgment might result in a do-nothing policy on Palestine unless public opinion encourages the Administration to take positive action.

BLAIR BOLLES

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VOL. XXVI, No. 25 APRIL 4, 1947

NEW PRESIDENT PLANS TO EXPAND FPA

Mr. William W. Lancaster, Chairman of the Board of Directors of the Foreign Policy Association, has announced the appointment of Brooks Emeny as President of the Association. Mr. Emeny is known to members of the Association not only through his Headline Series pamphlet "Mainsprings of World Politics", but also as the able President of the Cleveland Council on World Affairs, and the chairman of Cleveland's widely publicized "Report from the World". Mr. Emeny succeeds Major General Frank Ross McCoy, U.S. Army, retired, now president emeritus of the Association.



WM. W. LANCASTER



BROOKS EMENY

In his acceptance, Mr. Emeny stated: "The presidency of the Foreign Policy Association offers one of the most challenging opportunities today for furthering the public understanding of the problems of contemporary world relations as they affect America and for the development of a leadership of informed opinion upon which alone a constructive foreign policy can be based. The Association, with its nationwide membership and network of branches and affiliates, is uniquely situated to serve as the national agency for the furtherance of such a program. This can only be achieved through a widespread cooperative effort not only among the members of the Association but through the aid and partnership of other national organizations devoted to research and education in specialized fields of world affairs."

A member of the class of 1924 at Princeton University, Mr. Emeny received his graduate degree from Yale following three years of study in international relations at the Sorbonne, the London School of Economics, Konsular Akademie (Vienna) and the University of Madrid. He is the author of "The Strategy of Raw Materials" and co-author with the late Frank Simonds of "The Great Powers in World Politics" and "The Price of Peace."

In 1935 Mr. Emeny went to Cleveland, where the remarkable growth of interest in international affairs is directly attributable to his leadership. Communities all over the country pattern their educational program and community technique on the Cleveland me[illegible] annual institute of the Cleveland Cou[illegible] ary enjoyed the co-sponsorship of [illegible] Magazine. This "Report from the World" brought to Cleveland such outstanding leaders as former [illegible] of State James F. Byrnes; Senator Arthur H. Vandenberg; Premier Alcide de Gasperi of Italy; Dr. Eelco van Kleffens, Netherlands delegate to the UN Security Council; and Dr. Oswaldo Aranha, Brazilian delegate to the UN Security Council.

"Mr. Emeny's appointment as President of the Foreign Policy Association," Mr. Lancaster stated, "has been made with the object of further strengthening the educational program of the Foreign Policy Association. It is the desire of the Board of Directors that the distribution of the Association's publications throughout the country be expanded and that the branches should increase as vital and focal points of interest in international affairs."

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WOULD UN CONTROL ANSWER PROBLEM OF DARDANELLES?

Warren R. Austin, United States delegate, assured the United Nations Security Council on March 28 that the proposal for American aid to Greece and Turkey is only a stopgap measure designed to assist these two countries until various international agencies are able to extend long-range assistance. His statement indicates belated recognition by the Administration of widespread fear in this country that the President had deliberately by-passed the United Nations. If Mr. Austin succeeds in allaying this fear, he will help to overcome one of the strongest objections to the President's plan as a whole. However, until Administration spokesmen have presented a stronger case than they have hitherto made in favor of assigning $100,000,000 for support of the Turkish army, they may find it difficult to win widespread public and Congressional backing for this particular phase of Mr. Truman's program.

One reason for the Administration's comparative silence as far as Turkey is concerned is that the Turkish crisis is compounded of less dramatic elements than the crisis in Greece. From the point of view of the potential struggle for power between Russia and the United States in the Middle East, however, Turkey is even more significant than Greece. For the western territories of Turkey lie athwart the Straits, through which Russia must pass to reach the Mediterranean, and its eastern provinces form part of the approach from the U.S.S.R. to the Persian Gulf.

TURKEY FEARS RUSSIAN CONTROL. The existing arrangements concerning the Straits, as established by the Montreux convention of 1936, are essentially satisfactory to Turkey. Under this convention the Turkish government has full responsibility for the defense and control of the Straits, subject to the provision that all merchant vessels shall have freedom of passage in peace or war, while warships of both Black Sea and non-littoral powers shall be permitted passage only in special cases. The Turks have raised no objections to suggestions by both the United States and Russia that the Montreux terms be revised to permit free passage for warships of Black Sea powers while denying such passage to naval units of other nations except in limited cases. They have, however, opposed the Russian proposal that the Straits should be jointly defended by the U.S.S.R. and Turkey. This Russian plan, in the opinion of the Ankara government, would not only lead to virtual Soviet control of the Straits but would seriously restrict Turkish sovereignty. Fearing that Russia might exert military pressure to obtain approval of this proposal, the Turks have continued to maintain a large standing army. The Turkish army, as pointed out in the memorandum prepared by the State Department for members of Congress, will cost Turkey approximately $152,000,000 during 1947, or 44 per cent of the national budget.

RUSSIA AFFIRMS HISTORIC POLICY. From the point of view of Russia, which has regarded the Straits as its natural entrance to the Mediterranean for two centuries, the attainment of full political control over this important waterway has historically constituted a primary objective. Although the Tsarist government never succeeded in achieving this objective, success seemed within its grasp during World War I. In a desperate effort to keep Russia in the war, the Western Allies secretly agreed in 1915 that Russia should receive the Straits and Constantinople following defeat of the Central Powers. Although this agreement was not carried out because the Bolshevik revolution occurred before the Central Powers had been defeated, it embodied a Russian policy to which the Soviet government revived when circumstances appeared opportune. Thus during the period following conclusion of the Russo-German pact of 1939 Russia attempted not only to secure the closing of the Straits to non-Black Sea powers, but also to obtain naval and air bases in Turkey for the purpose of controlling the waterway. Although shortly after the Nazi invasion in 1941 Russia retreated from this historic policy and affirmed its fidelity to the Montreux arrangements for Turkish control of the Straits, Soviet leaders reverted to Russia's traditional objective as the war drew to a close. During the spring of 1945 Russia formally denounced its pact of friendship and neutrality with Turkey, and in August and September 1946 pressed for the establishment of joint Russo-Turkish defense of the Straits.

U.S. URGES INTERNATIONAL SOLUTION. It was under these conditions of acute tension between Russia and Turkey that the United States claimed an important role in the settlement of the long-standing controversy concerning the Straits. At the Potsdam Conference of July 1945 President Truman contended that, since the policies governing international waterways have a direct bearing on world peace and security, the United States has a keen interest in the determination of these policies and should participate in revision of the Montreux convention. Although the Big Three thereupon agreed, in a document on "The Black Sea Straits" made public by Washington on March 19, that each of them should discuss revision with the Turkish government, it is now clear that Russia did not intend to give the United States the important voice in the settlement of its dispute with Turkey which Washington has claimed since Potsdam. According to the Russian text of the agreement, "negotiations," rather than "conversations"—as the American and British versions of the Potsdam document state—were to be held between Turkey and each of the Big Three,

and these negotiations were to constitute "the proper course"—rather than "the next step"—toward settlement of the question. The marked differences in translation of key phrases in the Potsdam agreement on the Straits might not have proved insuperable. But underlying these phrases is the fundamental conflict between Russia's belief that its security depends on the establishment of national control over the Straits and the American view that Russian domination of the Dardanelles would endanger American interests in the oil-rich Middle East and upset the present balance of power throughout this strategic area.

When it became clear that Russia was pressing for joint military control of the Straits with Turkey as its junior partner, the United States on October 9, 1946 reaffirmed its interpretation of the Potsdam agreement, and repeated an earlier suggestion that the Montreux convention should be revised by means of an international conference. Mr. Truman now proposes unilateral American financial and military support of Turkey to offset the unilateral pressure exerted on that country by the U.S.S.R. However, in view of the assurances Mr. Austin has given the Security Council that the United States will welcome long-range United Nations assistance to Turkey, the possibility still exists that the centuries-old dispute over control of the Straits might be settled by the establishment of a United Nations regime.

WINIFRED N. HADSEL

UN LAUNCHES TRUSTEESHIP COUNCIL DESPITE DIFFICULTIES

Secretary-General Trygve Lie, in opening the first session of the United Nations Trusteeship Council on March 26, recalled the false prophecies of the skeptics and cynics who had predicted that the Council would never meet. The absence of a Soviet delegate marred the inaugural meeting of this last major UN organ to go into operation, but Mr. Lie and United States representative Francis B. Sayre later pointed out to newsmen that according to the Charter the Council's decisions are made by a majority of members present and voting. The work of the Council will therefore proceed despite the non-attendance of the U.S.S.R., which has never answered the Secretary General's January 14 request for the names of Trusteeship Council representatives. Mr. Sayre, expressing his regret at Russia's failure to send a delegate, declared: "I hope with all my heart that a representative of that great country will be here shortly."

SOVIET BOYCOTT. Russia's attitude is not surprising in view of its contention last December that the eight trusteeship agreements approved by the General Assembly were illegal, and therefore improper as a basis for creation of the Council. Many observers, however, are associating this attitude with the fact that the Soviet Union belongs to only one (World Health Organization) of the nine existing or projected specialized agencies of the United Nations.

Largely ignoring Russia's boycott, the nine remaining members of the Trusteeship Council proceeded methodically to take up the task of supervising the administration of six African and two Pacific trust territories which are inhabited by 14,555,000 people and ruled by five members of the Council—Britain (Tanganyika, British Cameroons, British Togoland), France (French Cameroons and French Togoland), Belgium (Ruanda-Urundi), Australia (New Guinea), and New Zealand (Western Samoa). The only noticeable effect of the Soviet absence occurred during the election of officers in which Mr. Sayre, former United States High Commissioner to the Philippines, was chosen president, and Sir Carl Berendsen of New Zealand, vice-president. Members of the Council are said to have previously agreed on the election of Dr. Luis Padilla Nervo of Mexico as president, but just before the balloting a short adjournment was requested by Roger Garreau of France. The subsequent vote was secret, but it is reported that during the twenty minute recess the five administering powers agreed to cast their ballots for Mr. Sayre.

The remaining items on the agenda of the Trusteeship Council are (1) adoption of rules of procedure, (2) formulation of questionnaires on the advancement of trust territories, (3) consideration of petitions, (4) study of reports submitted by administering authorities, (5) discussion of relations between the Trusteeship Council and other UN agencies, (6) consideration of items proposed by any UN members, and (7) schedule of future sessions and work, including arrangements for visits to trust territories. The adoption of the rules of procedure alone is expected to take as much as two weeks. Sixty-two provisional rules for the Council were adopted by the UN Preparatory Commission in the fall of 1945, but the French delegate warned that alterations were necessary, and Col. W. R. Hodgson of Australia declared that his government had about fifty suggestions to make.

SAMOAN PETITION. One of the most interesting of many petitions submitted for the Council's consideration, made public on March 9, was a request for self government by forty-six native chieftains of Western Samoa, a New Zealand trust territory. The Samoan chiefs also protested against the "unnatural division" between Western Samoa and American Samoa (which is administered by the Navy Department). J. A. Krug, Secretary of the Interior, announced on March 15 that he would ask Congress to replace military rule by civilian government in Samoa, but the United States is unlikely to accept the proposal to unite the Samoan islands. Moreover,

as a result of its control over American Samoa, the United States will be one of six members of a new South Pacific Commission modeled on the Caribbean Commission. An agreement creating this new organization to promote the economic and social development of South Sea islands was signed at Canberra, Australia on February 6, but is as yet unratified.

Temporarily, the absence of the Soviet Union from the Trusteeship Council gives the administering powers a five to four majority over the non-administering states (United States, China, Mexico and Iraq). In the future this situation will probably be altered whether or not Russia continues to boycott the Council. For if the American draft agreement to place the Japanese mandated islands under trusteeship is approved by the Security Council and the Senate, the United States will become an administering power. Charter, the General Assembly will then have to elect two more non-administering members to the Council, making a total of six administering and six non-administering states. This action will place the five former League of Nations mandatory powers in the minority since the United States, despite its new role as an administering authority, will probably assume an attitude midway between that of colonial and non-colonial powers. One obstacle to American assumption of the role of an administering authority was removed on March 28 in the Security Council when Australia withdrew a proposal which would have postponed the application of the Pacific islands agreement until the signing of a Japanese peace treaty.

VERNON MCKAY

F.P.A. BOOKSHELF

The Web of Government, by R. M. MacIver. New York, Macmillan, 1947. $4.00

In writing about the fundamental nature of the state, Professor MacIver of Columbia University brings to bear on the eternal political problem of liberty and order a wealth of information from four related fields of political science, sociology, anthropology and psychology.

The Individual, the State and World Government, by A. C. Ewing, New York, Macmillan, 1947. $4.00

This treatise deals with the problems of democracy vs. totalitarianism, the rights of individuals, and the prospects for international organization. Professor Ewing, lecturer in Moral Science at Cambridge University, England, believes that the UN has been erected on sound ground, even though the sovereignty of individual states has been preserved in that organization. The alternative, he contends, was not greater federation but division of the world into two opposing camps.

Defeat in Victory, by Jan Ciechanowski. Doubleday, Garden City, N. Y., 1947. $3.50

A strong indictment by the wartime Polish Ambassador to Washington (1941-45) of what he regards as Anglo-American betrayal of Poland for the sake of achieving wartime cooperation with Russia.

A National Labor Policy, by H. W. Metz and M. Jacobstein. Washington, D.C. Brookings Institution, 1947.

This study is based on the 1945 Brookings Institution publication, *The Labor Policy of the Federal Government*, by H. W. Metz which presented a factual record of labor legislation and court decisions affecting industrial relations. In the present book the authors have analyzed current labor policies and conclude that collective bargaining can be made an effective means of adjusting industrial differences, while at the same time safeguarding the public interest. They argue against the alternative policy of compulsory adjustment of labor disputes.

American Diplomacy in Action, by R. W. Van Alstyne. California, Stanford University Press, 1947. $5.00

In this revised edition of his text the author has followed the topical approach to American foreign policy, and has added information on wartime developments and the United Nations. The scope of the volume is indicated by its three main parts: I. Security and the Monroe Doctrine; II. Expansion and the Concept of Manifest Destiny; and III. Neutrality and Isolation.

Caribbean: Sea of the New World, by Germán Arciniegas. New York, Alfred A. Knopf, 1946. $3.75

The Colombian historian takes this locked sea as protagonist of a rich history that bridges the years from Columbus' discovery, when "life acquired a new dimension," to the building of the Canal.

Pearl Harbor: The Story of the Secret War, by George Morgenstern. New York, Devin-Adair, 1947. $3.00

A *Chicago Tribune* editorial writer seeks to prove the thesis that the United States was engaged in an "undeclared" war months before Pearl Harbor.

Soviet Philosophy: A Study of Theory and Practice, by John Somerville. New York, Philosophical Library, 1946. $3.75

A useful summary of Soviet thought on culture and science as well as politics and economics, by a lecturer in philosophy who spent considerable time in the Soviet Union before World War II, and had an opportunity to study Russian sources.

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pay $25,000,000 to Yugoslavia and $45,000,000 to Greece. At the same time the United States and Britain also agreed that Albania should receive the token sum of $5,000,000 in reparations from Italy.

The terms of the Italian treaty as finally drafted, provide that Italy must pay a total of $360,000,000 in reparations over a period of seven years from the coming into force of the peace treaty, for damages inflicted by Italian troops. This sum is to be distributed as follows: Yugoslavia, $125,000,000; Greece, $105,000,000; Russia, $100,000,000; Ethiopia, $25,000,000; and Albania, $5,000,000. These reparations are to be paid from four sources: existing factory and tool equipment which was originally designed for war production and is now either unnecessary for Italy's limited military establishments or not readily convertible to civilian purposes; Italian assets in Rumania, Bulgaria and Hungary; current industrial production, including production by extractive industries; and other types of capital goods and services, including the passenger ships *Saturnia* and *Vulcania*.[12]

The specific amounts Italy must pay from each of these sources are not fixed by the treaty, but certain provisions in the settlement indicate that Italy may find it possible to pay the bulk of its reparations from Balkan assets, existing war potential and other capital goods, rather than from current production. Thus, instead of placing responsibility for the valuation of Italy's foreign assets and surplus war plant on the receiving countries, which would be inclined to offer a low estimate, the treaty assigns this task to the Ambassadors of the big Four in Rome. Since the American and British Ambassadors may be expected to place a reasonably high valuation on Italy's assets and existing equipment, the Western powers may be able to hold Italy's deliveries from current production to a minimum. Moreover, lest reparations from current production impede Italy's economic recovery and impose additional relief tasks on the United States, the treaty not only permits the Italian government to declare a moratorium on payments from this source during the first two years, but requires all the receiving countries to furnish Italy with essential imports the value of which is to be deducted from the value of the reparations delivered. Finally, by providing that the Ambassadors of the Big Four in Rome shall not only be informed of all Russo-Italian agreements concerning reparations payments, but shall cordinate and supervise Italy's reparations arrangements with the smaller Allied states, the treaty gives Italy a court of appeal in the event that the Italian government feels its reparations schedules are unduly heavy.

In the cases of the Rumanian, Hungarian and Finnish treaties the reparations provisions, unlike the series of compromises incorporated in the Italian settlement, represent adoption of the Russian terms as set forth in the armistice agreements Moscow drew up for these states during 1944-45, rather than a compromise between Russian and Western views. Rumania, Hungary and Finland, according to their treaties, are each required to pay $300,000,000 worth of commodities at 1938 prices over a period of eight years, beginning with the dates these countries signed their respective armistices with the Soviet Union. With the exception of $100,000,000 of the sum to be paid by Hungary, $70,000,000 of which is payable to Yugoslavia and $30,000,000 to Czechoslovakia, Russia is to be the sole recipient of these reparations, and is not required either to consult or inform the other Allied powers concerning any phase of its collection program.

Although the United States and Britain argued at every stage of the treaty-making process that Rumania, Hungary and Finland were not alike either in the degree of their aggression or in their capacity to pay, the Western powers were unable to obtain any change in the arrangements Russia had already made during the armistice period.[13] Hungary's economic life, the United States pointed out, had been shattered by the war and, in any event, the country's predominantly agricultural economy made it incapable of delivering the manufactured goods required by Russia.[14] As far as Finland was concerned, the United States contended that the Finns, despite the fact that they had thus far managed to pay their reparations on schedule, would find it increasingly difficult to meet their obligations.[15] These warnings about the economic consequences of the reparations settlements imposed on Hungary and Finland, particularly, were brushed aside by Russia as an effort

12. According to the terms of the treaty Russia alone may collect reparations from Italian Balkan assets, and only Greece, Albania, Ethiopia and Yugoslavia may make collections from the category of special capital goods, including the *Saturnia* and *Vulcania*. For the provisions concerning reparations, see *Treaties of Peace with Italy, Hungary, Roumania and Finland* (English versions), Department of State Publication 2743, European Series 21 (U.S. Government Printing Office, Washington, D.C., 1947), *Treaty of Peace with Italy*, Part IV, Section I, Article 74.

13. For amounts of reparations Russia had collected from these countries by the middle of 1946, see V. M. Dean, "Russia's Foreign Economic Policy," *Foreign Policy Reports*, February 1, 1947, p. 273.

14. *Chronology of International Events and Documents* (New York, Royal Institute of International Affairs), Vol. II, No. 19, p. 694.

15. *Ibid.*, No. 20, p. 646.

on the part of the United States to win political favor in the Soviet-controlled states of Eastern Europe. Instead, therefore, of persuading the U.S.S.R. to modify its economic terms for the satellites, the American arguments merely had the effect of making it even more certain than before that any modification in Russia's reparations policy would be carried out unilaterally by the Soviet Union rather than as a result of representations made by the Western powers.

Compensation to Allied Property Owners

The campaign the United States waged during the treaty negotiations to limit reparations to the capacity of the ex-enemies to pay was carried over to the question of compensation for Allied property holders. In the opinion of Mr. Byrnes and his advisers, it was more important to give the former enemy countries some prospect of economic recovery than to salvage the largest possible amount of Allied property in the satellite states. Accordingly the United States held that the former enemy countries should be obliged to pay only 25 per cent compensation to Allied nationals who had suffered war-time losses in these states. Russia, which had no pre-war holdings abroad, found itself in agreement with the view of the United States on this issue, while Britain and France—who were neither rich enough nor poor enough to share the American and Russian view—urged 75 per cent compensation. Following an extended debate the Council of Foreign Ministers finally decided at its New York session that the former enemy states should compensate the Allied owners of lost or damaged property in local currency to the extent of 66⅔ per cent of the sum necessary, at the date of payment, to purchase similar property or to make good the loss suffered.

Equality of Trading Opportunity

Another provision to which Mr. Byrnes attached great importance was that of equality of trading opportunity for the ex-enemy states. It was only by making certain, he repeatedly declared, that the countries which had recently been under German economic domination were free to trade with all countries on equal terms that these states could maintain their independence and avoid becoming appendages of any single country or economic bloc.[16] The Soviet Union opposed this American principle of equality of trading opportunity, charging that it cloaked an effort on the part of the Western powers, and the United States in particular, to use their economic superiority to dominate the weak ex-enemy countries.[17] When, however, the Russian representatives found it impossible to convince a majority of the Paris Peace Conference that multilateral trade would lead to "enslavement" of the former satellite states, they finally agreed to accept the American principle, subject to the limitation that it should be enforced only during a restricted period. At the final session of the Foreign Ministers it was accordingly decided that all five treaties should include a provision that the ex-enemy states would assume the obligation, over a period of eighteen months, not to discriminate against any of the United Nations in matters pertaining to industry and commerce. Although the United States had hoped to secure a three-year guarantee, it accepted the eighteen months restriction in the belief that this period would be long enough to test the practicability of current American proposals for the expansion of world trade.[18]

Free Navigation of the Danube

Closely related to the questions raised by discriminatory trading practices on the part of the former enemy states was the issue whether the treaties should provide for the free navigation of the Danube, one of the principal commercial routes for central Europe and the Balkans. The United States and Britain set great store on the inclusion in the treaties with the Danubian states of a provision for free navigation, in the belief that it might enable these countries—which had been exclusively controlled by Russia since the end of the war—to trade with the West as well as with the Soviet Union. Russia, however, contended that the rules concerning navigation of the Danube should be formulated solely by the countries along the river's banks, and the Soviet representatives regarded the policy of the Western powers as unwarranted intervention in the affairs of Eastern Europe. If the Western powers were sincerely seeking to establish free access to important trade routes, the Soviet delegates declared, they should apply this principle to the Suez and Panama Canals as well as the Danube.[19]

Despite Russia's opposition the Paris Peace Conference voted by a two-thirds majority for inclusion in the appropriate treaties of some statement of the principles of free navigation, and when the

16. For text of statement by Mr. Byrnes, see *New York Times*, August 16, 1946.

17. *Chronology of International Events and Documents*, cited, No. 16, p. 512.

18. "Third Session of the Council of Foreign Ministers," cited, p. 185.

19. *Chronology of International Events and Documents*, cited, No. 20, p. 643.

Western powers pressed for adoption of this recommendation at the subsequent meeting of the Foreign Ministers, they finally succeeded in overcoming the Russian objections.[20] The three Balkan treaties accordingly include the statement that "navigation on the Danube shall be free and open for the nationals vessels of commerce and goods of all States on the footing of equality with regard to port and navigation charges and conditions for merchant shipping." Although the United States and Britain had hoped to arrange for inclusion in the peace treaties themselves of provisions for implementation of this general principle, they agreed to Russia's suggestion that such provisions should be embodied in a separate convention. On the last day of the meeting at the Waldorf Astoria the Foreign Ministers adopted a formal agreement to call a conference within six months in which the United States, Britain, the Soviet Union and France as well as the countries in the Danubian basin would participate in establishing an international regime for the Danube.[21]

Thus the important question of what kind of agency will be set up to enforce the general principle of free navigation of the Danube remains to be answered. Although both the International Commission of the Danube and the European Commission of the Danube, established in 1854 for the purpose of controlling the course and mouth of the river, are still technically in existence, it will not be possible for the Allies merely to revive these bodies. Russia not only regards these commissions, which were established following its defeat in the Crimean War, as an instrument of Western imperialism[22] but strongly resents the fact that it was not included in either agency between 1919 and 1939.[23] Now that the U.S.S.R. has emerged as the major continental power and a Danubian state as well, following its recovery of Bessarabia from Rumania, Moscow will insist on obtaining a far more important role in any future international regime for the Danube than it has enjoyed in the past.

POLITICAL CLAUSES

TERRITORIAL SETTLEMENT WITH ITALY

As in the case of the economic clauses incorporated in the five peace treaties, the political provisions concerning territorial changes, military and naval limitations, and withdrawal of Allied forces of occupation represent uneasy compromises between the points of view of the Soviet Union and the Western powers. Under the terms of the Italian treaty Italy ceded to Greece the strategically located Dodecanese Islands, at the southern approaches to the Dardanelles.[24] Since the Soviet Union tentatively indicated at the outset that it wished to secure bases for itself in these Greek-populated islands, this cession, which was agreed upon by the Foreign Ministers before the Paris Conference, represents a triumph for the Anglo-American point of view.

In connection with the disposition of the Italian African colonies the Allies found it more difficult to devise a solution, for the Western powers not only disagreed among themselves on this question, but they opposed a Soviet supervised trusteeship over Tripolitania.[25] Under the terms of the treaty, Italy renounces all rights to Libya (Cyrenaica and Tripolitania), Eritrea and Italian Somaliland, which lie along the "short route" from the Atlantic to the Far and Middle East. However, the Allies, finding themselves unable to agree on the disposition of these strategically located areas—which have been under British military control following Italy's defeat—have merely provided for postponement of a final decision for one year. If the Big Four should find it impossible to reach agreement at this time, they are required to refer the matter to the General Assembly of the United Nations for a recommendation which is to take into account "the wishes and welfare of the inhabitants and the interests of peace and security."[26] What the nature of this recommendation will be it is impossible to predict. But whether the Assembly proposes independence, incorporation in the neighboring territories, or trusteeship—exercised either by the United Nations as a whole or by Italy or individual Allied nations—the Big Four are obliged by the terms of the treaty to accept the Assembly suggestion and to take appropriate measures for putting it into effect. This means that the major Allies, having been unable to reach agreement upon an issue in which they are all interested, have decided that, if their deadlock persists, they will accept the decision of an organ of the United Nations in which none of the members has the veto power.

Although the future balance of power in the

20. "Third Session of the Council of Foreign Ministers," cited, p. 185.

21. *Chronology of International Events and Documents,* cited, No. 24, p. 788.

22. *Ibid.,* No. 20, p. 643.

23. C. E. Black, "The Axis Satellites and the Great Powers," *Foreign Policy Reports,* May 1, 1946, p. 52.

24. *Treaty of Peace with Italy,* Part I, Section V, Article 14.

25. See V. McKay, "International Trusteeship—Role of United Nations in the Colonial World," *Foreign Policy Reports,* May 15, 1946; V. M. Dean, "Issues Before Paris Peace Conference," cited, p. 121.

26. *Treaty of Peace with Italy,* Annex XI.

Mediterranean thus remains somewhat undefined, the relations between East and West on the Adriatic have been considerably altered in favor of the Soviet Union as a result of Italy's cession to Albania of the Island of Saseno, located at the narrowest point of the Strait of Otranto[27] and, above all, by the revision of the Yugoslav-Italian border. During the early stages of the peace negotiations, Russia, in an apparent effort to win a key role in the Adriatic, strongly supported Yugoslavia in its bid for control of the entire peninsula of Venezia Giulia, including Trieste. The United States and Britain, while admitting the desirability of modifying the old Yugoslav-Italian border, insisted that an effort should be made to draw an ethnic boundary, which would permit Yugoslavia to acquire only part of the area in question. When the Council of Foreign Ministers found itself unable to harmonize these conflicting points of view at its first two sessions, it appointed a four-power commission of experts to visit the disputed area in the spring of 1946 and to make recommendations concerning its disposal. The members of this commission, while agreeing on the essential facts, nevertheless proposed four different boundary lines, thus obliging the Foreign Ministers to abandon any efforts to establish a boundary based on objective analysis and to adopt a line which might bring about a compromise among the great powers. Such a boundary, known as the "French line," was proposed by Georges Bidault, and on the eve of the Paris Conference the Foreign Ministers agreed that Italy should cede to Yugoslavia the estimated 3,000 square miles of territory east of this line. This territory includes the Izonzo Valley, Istria and the port of Pola, and contains approximately 225,000 Slavs and more than 128,000 Italians. At the same time it was decided that Trieste, together with its immediate hinterland—estimated at 300 square miles—should be placed under international control. As a result of this change Italy loses a population of 355,000, of whom 255,000 are Italians and 100,000 are Yugoslavs.

FREE TERRITORY OF TRIESTE

The willingness of both Russia and the Western powers to accept the "French line" as the new boundary between Italy and Yugoslavia was closely related to the attainment of a mutually satisfactory regime for the administration of the Free Territory of Trieste. Throughout the complicated negotiations between the Western powers and Russia on this issue, the fundamental question was whether arrangements could be devised which would safeguard the interests of both sides in this key port, and at the same time prevent the area from falling under the domination of either Italy or Yugoslavia. The Russians, who feared that a strong governor responsible only to the Security Council might become the instrument of the Triestine middle class and the Western powers, championed local democracy for the Free Territory and argued that a locally-elected assembly should constitute the chief organ of government.[28] By contrast the United States and Britain, who were determined that the Free Territory should be genuinely international in character, opposed government by the popular assembly lest this arrangement spell complete dictation by the closely-knit Yugoslav Communist group in Trieste. In order to avoid this eventuality, the Western powers insisted that the neutral United Nations governor who was to bear responsibility for the integrity and security of the area must have adequate powers to discharge his responsibilities.[29]

The influence of the Paris Peace Conference was particularly evident in breaking the deadlock between Russia and the Western powers over the question of the respective roles to be played by the local assembly and the United Nations governor of the Free Territory. By a two-thirds vote the Paris conferees adopted a proposal setting forth the principle of a strong, internationally-controlled and impartial government of the type Britain and the United States had been advocating, and although M. Molotov was at first unwilling to accept this recommendation, he finally did so at one of the final meetings of the Council of Foreign Ministers in New York.[30]

The Permanent Statute of the Free Territory of Trieste which is incorporated in an annex to the Italian peace treaty,[31] provides that the neutral Territory shall have its own flag and governmental institutions, including a governor, a council of government, a locally elected popular assembly, and a judiciary. The governor, who may not be a citizen of Yugoslavia, Italy or the Free Territory, shall be appointed by the United Nations for a term of five years—after consultation with the governments of Italy and Yugoslavia—and shall be directly and solely responsible to the Security Council. Among the broad powers conferred on him by the Statute are the right, in case of emergencies which he believes threaten the independence of the Free Territory, public order, or respect for human rights, to call for appropriate action by the United Nations security forces, subject only to the limitation

27. *Treaty of Peace with Italy,* Part II, Section VI, Article 28.

28. *Chronology of International Events and Documents,* cited, No. 16, p. 518; No. 18, p. 571.

29. *Ibid.,* No. 18, p. 570.

30. *Ibid.,* No. 23, p. 750.

31. *Treaty of Peace with Italy,* Annex VI.

that he must make an immediate report on his actions to the Security Council.[32] Whether these provisions will succeed in preventing eventual seizure of power in Trieste by either the Yugoslavs or Italians remains to be seen. But in view of the clash of Russian and Western interests over Trieste, it is difficult to see now a more easily workable scheme for preventing this area from becoming a battleground between opposing groups could have been devised.

In another provision of the Italian treaty, which is of far less significance as far as the European balance of power is concerned, Italy cedes to France small Alpine districts around Briga and Tenda and accepts border rectifications in the region of the Little St. Bernard Pass, the Mont Cenis Plateau and Mont Thabor.[33] The Italian treaty also incorporates the Austro-Italian bilateral agreement of September 5, 1946 concerning the Southern Tyrol—which Italy obtained from Austria after World War I—and obligates Italy to extend to the German-speaking inhabitants of this district equality of rights with persons of Italian extraction in education, public office, and the courts. The agreement also specifically provides that German family names which were Italianized under Mussolini may be reestablished.[34]

NEW BOUNDARIES IN EASTERN EUROPE

The territorial clauses incorporated in the peace treaties with the other former satellites, unlike those imposed on Italy, were determined almost exclusively by Russia at the end of the war, and neither the sessions of the Council of Foreign Ministers nor the Paris Peace Conference succeeded in modifying these arrangements except in a few minor details. Hungary, under the terms of its treaty, loses all the territories in southern Slovakia, the Carpatho-Ukraine and northern Transylvania which it had formerly held before 1918 and regained during World War II through the assistance of the Axis. It is thus again reduced to the boundaries established by the Treaty of Trianon after World War I, which left approximately three million Magyars in neighboring countries, and in addition loses to Czechoslovakia a small bridgehead area across the Danube from Bratislava.[35]

At the Paris Peace Conference the Hungarian delegates, while entertaining little hope of being able to retain any of the territories they had regained as partners of the Axis, nevertheless pressed for the adoption of provisions in the peace treaties which would guarantee the rights of Magyar minorities in Czechoslovakia, Rumania and Yugoslavia. However, these efforts were quashed, chiefly because of the strong opposition of the Czechoslovak representatives, who alleged that Hungary wished to safeguard the rights of its minorities abroad merely in order to make certain that the basis for its irredentist claims remained intact.[36]

In sharp contrast to Hungary, the pro-Russian Bulgarian government is permitted to retain part of the territorial gains it made during the period of its cooperation with the Axis. According to the Bulgarian treaty southern Dobruja, an area fronting on the Black Sea and originally acquired in the treaty of San Stefano (1878) and lost to Rumania from 1919 until 1941, is to remain Bulgarian. At the same time, however, Bulgaria is obliged to return to Yugoslavia the large slice of Serbian territory which it gained with Hitler's support, and fails to obtain the outlet on the Aegean at the expense of Greece which its delegates sought to obtain at the Paris Conference.[37]

Rumania and Finland are more directly affected than any of the former enemy states by Russia's policy of re-acquiring many of the territories which belonged to the Tsarist Empire. To the U.S.S.R. Rumania confirms the cession of Bessarabia (part of Russia until 1918) and, under pressure from Moscow, Bucharest returns Southern Dobruja to Bulgaria.[38] Since, however, the pro-Soviet Rumanian government has been assisted by Russia in recovering the large area of Northern Transylvania, which Hungary was awarded by Hitler in 1940, it is able to point to this territorial restoration as tangible proof of the value of Rumania's present ties with the U.S.S.R.

Finland's southeastern boundaries with the Soviet Union are identical with those arranged after the Winter War of 1940, when Finland ceded the Karelian Isthmus above Leningrad. In addition, Finland cedes the Arctic province of Petsamo to the Soviet Union, thus providing Russia with territory surrounding the approaches to the Soviet port at Murmansk and giving the U.S.S.R. a common frontier with Norway,[39] and grants Moscow a

32. "Third Session of the Council of Foreign Ministers," cited, p. 184.

33. *Treaty of Peace with Italy,* Part I, Section II, Article 9. At the Paris Peace Conference a number of the small Allies attempted to block these French claims on the grounds that France had advanced no adequate reasons for the proposed changes. *Chronology of International Events and Documents,* cited, No. 17, p. 543.

34. *Treaty of Peace with Italy,* Part I, Section III, Articles 10, 11, Annex IV.

35. *Treaty of Peace with Hungary,* Part I, Article 1.

36. *Chronology of International Events and Documents,* cited, No. 15, p. 474.

37. *Treaty of Peace with Bulgaria,* Part I, Article 1, Annex 1.

38. *Treaty of Peace with Roumania,* Part I, Article 1; Annex 1.

39. *Treaty of Peace with Finland,* Part I, Articles 1 and 2.

The ( ) for Treaty Re

By Winifred N. Hadsel and O. K. D. Ringwood

In spite of the efforts the Allies made to prevent the development of a revisionist movement after World War II by permitting the former Axis satellites to present their views at the Paris Peace Conference, Italy, Rumania, Hungary and Bulgaria launched a campaign for modification of the peace settlements the very moment the treaties were signed in Paris on February 10.[1] Finland alone among the defeated nations filed no official protest against the terms imposed by the Allies.

Charge of "Dictation"

Two common complaints registered by Italy and the other ex-enemy states against the treaties are that the agreements were "dictated," and that the Allies failed to give adequate recognition to the contributions the former enemy countries made to the United Nations during the final phases of the war. Italy contends with particular bitterness that the active assistance it rendered the Allies, following its unconditional surrender in September 1943, was not sufficiently appreciated by the treaty-makers. Foreign Minister Carlo Sforza and Premier Alcide de Gasperi declare that Italy was entitled to receive easier territorial and economic terms, and that the Italian navy—which fought in the closing years of the war alongside the Allied navies—should not have suffered the "undeserved humiliation" of virtual disbandment.[2]

Other Causes of Discontent

Italy's demands for revision center on the provisions concerning Trieste, the former Italian colonies, and the reparations bill of $360,000,000.[3] Popular opposition to these clauses is so strong in Italy, that the government has found it necessary to give special assurances to the Constituent Assembly that ratification of the treaty will not be complete until the Assembly gives its assent.

Bulgaria, having suffered few losses under the terms of its treaty, regards the peace settlement as a whole with satisfaction. The pro-Soviet Fatherland Front regime, however, maintains that the Western powers committed an "extreme injustice against the new democratic Bulgaria" by refusing to recognize the country's cobelligerency during the period from September 1944 until the end of the war, and by presenting a reparations bill for $70,000,000.[4] To Rumania, the most serious grounds for official complaint are that the Allies failed to deduct from the country's reparations the sum of $500,000,000, which the Foreign Office in Bucharest estimates it spent on the war against Germany between September 1944 and V-E Day.[5] Although some nationalist elements in Hungary privately deplore the loss of at least some of the territories their country gained during the period of collaboration with the Axis, the government is keenly aware that it would be highly impolitic to refer to these areas. Instead, therefore, of voicing objections to the virtual reestablishment of the boundaries created by the Treaty of Trianon in 1919, Hungary contents itself with protesting the absence in its treaty of special guarantees of the rights of the approximately three million Hungarians living in Rumania, Yugoslavia and Czechoslovakia.[6]

Strategy for Revision

All four states demanding changes in the peace settlements have mapped out a strategy for achieving revision of the treaties which calls not only for direct diplomatic negotiations with the Allies, but also for action by the United Nations. As soon as the ex-enemy countries are admitted to membership in the international organization, they will probably request a hearing before the General Assembly under Article 14 of the Charter, which provides that the Assembly may recommend measures for "the peaceful adjustment of any situation . . . which it deems likely to impair the general welfare or friendly relations among nations." If, however, one of the states desiring treaty revision believes that a specific provision of its settlement "endangers the maintenance of international peace," it could present its case to the Security Council, under Articles 34 and 35 of the Charter.

1. For summary of protests presented by the Italian, Rumanian, Hungarian and Bulgarian delegations to French officials, who were requested to convey the statements to the other signatories of the treaties, see *New York Times*, February 10, 1947.

2. Speech by Premier de Gasperi to the Constituent Assembly, February 8, 1947. *Daily Report, Foreign Radio Broadcasts* (Central Intelligence Group, Washington, D.C.), February 10, 1947.

3. Interview with Foreign Minister Sforza, February 16, 1947. *Daily Reports*, cited, February 17, 1947.

4. Speech by Vulka Chervenkov, Secretary of the Communist party and member of the Fatherland Front, to a public rally in Sofia on February 10, 1947. *Daily Report*, cited, February 12, 1947.

5. Rumanian note of February 8, 1947 to the Allied governments, cited.

6. Hungarian note of February 8, 1947 to the Allied governments, cited.

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The Five Axis Satellite Peace Treaties

BY WINIFRED N. HADSEL

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The Five Axis Satellite Peace Treaties

BY WINIFRED N. HADSEL

THE peace treaties, which formally terminated the state of war between the Allies on the one hand, and Italy, Rumania, Hungary, Bulgaria and Finland on the other, were signed at a simple ceremony held at the French Foreign Ministry on the Quai d'Orsay on February 10, 1947, in an atmosphere conspicuously lacking in public enthusiasm. Parisians, surfeited with the long period of negotiations which had led to the conclusion of the treaties and preoccupied with their own political and economic problems, were indifferent to the procedings, and in other Allied countries the general reaction has also been marked by apathy and skepticism. In the United States, for example, the opinion voiced by former Secretary of State Byrnes and Secretary George C. Marshall before the Senate Foreign Relations Committee on March 4, that the treaties, while "unsatisfactory" from many points of view, are nevertheless as good as the United States can hope to obtain now or for some time to come, is widely accepted.[1] The advantages of prompt Senatorial acceptance of the agreements, according to the former and present Secretaries of State, would be threefold. First, ratification would pave the way for the withdrawal of occupation troops from Italy and the former satellite states. Second, the agreements might "create an element of stability and encourage further progress along the road to peace." Finally. the former enemy states, by becoming eligible for admission to the United Nations, would obtain the right of appeal to the international organization for the settlement of future problems affecting their peace and security.

In the former Axis satellite states the general reaction to the peace treaties has been one of outright opposition, and representatives of Italy, Rumania, Hungary and Bulgaria have formally announced their intention to launch a campaign for early revision of the settlements.[2] Finland alone among the ex-satellites has voiced no official protests, and its silence is due to the fears of the Finnish government that any expression of dissatisfaction might arouse Russia's suspicions rather than to approval of the peace terms.

1. *New York Times*, March 5, 1947.
2. See p. 32.

OBSTACLES IN WAY OF PEACEMAKING

The negative reaction to the first five peace treaties concluded after World War II is traceable in large part to the circumstances which accompanied the negotiation of the settlements. During the eighteen months which elapsed between the Potsdam Conference of August 1945, when the United States, Britain and Russia arranged for the drafting of the treaties by a Council of the Big-Five Foreign Ministers, and the actual signing of the treaties, no less than four lengthy sessions of the Council, a special meeting of the Big-Three powers, and a peace conference of twenty-one nations were required to formulate the terms of the agreements. In itself this slow progress toward peace on the part of the Allies probably would not have proved discouraging. The long succession of sharp clashes between Russia and the Western powers which attended nearly every step of the peacemaking process, however, had a disillusioning effect, for the impression became widespread that it was far more difficult to achieve some kind of working agreement among the victors than to arrange terms for the former enemy states.[3]

To some extent these clashes between East and West reflected the differences in national interests on the part of members of a wartime coalition

3. Former Assistant Secretary of State, Adolf A. Berle, in a statement issued on February 10, lamented the fact that the peace negotiations had been primarily concerned with attempts to reach a *modus vivendi* between the Eastern and Western states, and he urged the Senate to postpone ratification of the treaties until it could be learned whether or not the agreements were based on an enduring foundation. *New York Times*, February 11, 1947. Harold Nicolson, well-known British diplomatic observer who had pointed out in *Peacemaking, 1919* (Constable, London 1933) and *The Congress of Vienna* (New York, Harcourt, Brace, 1946), that at Vienna in 1815 and again in Paris in 1919 the Allies found it as difficult to reach a solid basis of agreement among themselves as to impose peace on the defeated nations, has observed that the same problem arose in an even more acute form at the Paris Peace Conference of 1946. "Peacemaking at Paris, Success, Failure or Farce?" *Foreign Affairs*, January 1947, pp. 190-203.

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which inevitably develop following the defeat of a common enemy. The gap between the major Allies after World War II, however, appeared particularly deep, not only because of ideological divergences between East and West, but also because of the vacuum left in Europe by the removal of Germany and Italy as effective powers and the marked decline in the strength of Britain and France. Under these conditions the United States and Russia, the two remaining great powers, were confronted with the task of readjusting the entire balance of power on the continent.

At the outset of the treaty negotiations, the United States, Britain and France indicated that they expected to have a free hand in settling the questions affecting Italy and the Mediterranean. As far as Eastern Europe was concerned, the Western powers insisted that the Soviet Union maintain an open door policy. Russia, for its part, viewed the settlements with Finland, Rumania, Hungary and Bulgaria as its own concern, and demanded the right to participate in decisions on the Italian treaty. In view of the conflicting concepts the Western powers and Russia held about their respective rights in Europe, it was not surprising that the problems of peacemaking proved "hard and difficult."[4] At the first session of the Council of Foreign Ministers, held in London from September 11 to October 2, 1945, the difference between Russia and the Western powers over the question of which nations should be permitted to participate in the negotiation of the treaties proved so great that the conference broke up over this procedural issue. The Soviet Union contended that only those states which had actually signed the armistice agreement with a given enemy country should draw up the peace terms. The United States and Britain, on the other hand, maintained that the peacemaking procedure should be broadened and that all states, large and small, which had fought and suffered in the war should take an active part in making the settlements.[5]

In an effort to find a way out of this impasse, Secretary Byrnes reluctantly agreed at the Moscow Conference of the Big Three in December 1945 that the "preparatory and exploratory work" on the treaties should be confined to the signatories of the surrender terms, provided Russia would agree to a general peace conference composed of all those members of the United Nations which had made substantial contributions to the winning of the war in Europe. According to this compromise procedure the treaties were to be negotiated in three stages. First, the drafts were to be "prepared" by those members of the Council of Foreign Ministers who were signatories of the armistice terms. Next a conference of twenty-one Allied nations was to "consider" the drafts, and then the Council of Foreign Ministers was to draw up the final texts of the settlements.

Role of the Paris Peace Conference

Although agreement on this procedure enabled the Foreign Ministers to resume work on the peace treaties and to reach accord on a considerable number of important questions at their second and third sessions held at Paris from April 25 to May 16 and from June 15 to July 12, it did not provide a clear definition of the respective roles of the great powers and the smaller nations in the treaty-making process. The Soviet Union, conscious of its position as the proponent of a political and economic system repugnant to a large number of the smaller Allied governments, had originally accepted the plan for a general peace conference with the greatest reluctance and, having done so, was determined to restrict the influence of the conferees. Britain and the United States, on the other hand, insisted that the forthcoming conference should not be obliged merely to agree to the decisions handed down by the Council of Foreign Ministers, but should be permitted to participate freely in shaping the final settlements. From the point of view of the Western powers, the twenty-one nation conferences offered an opportunity not only to secure the cooperation of the smaller Allied nations but also to hear the views of the former enemies.[6] For both Mr. Byrnes and Mr. Bevin, who had frequently found it difficult to deal with M. Molotov in the Council of Foreign Ministers, the "aggregate sentiments of mankind," as registered by a strong majority of Allied opinion, also appeared a possible means of strengthening their own positions on a number of controversial issues.

The compromise finally worked out on the role of the general peace conference was weighted in favor of the Russian point of view. The scope of the twenty-one nation meeting was so restricted that, as Harold Nicolson has observed, the discussions at the conference took place "in a bag tied at each end."[7] According to the rules of the confer-

4. For text of Secretary Byrnes' report on the Paris Peace Conference, see "The Paris Peace Conference," Department of State *Bulletin*, October 27, 1946, pp. 739-43.

5. For discussion of the decisions reached during the first three sessions of the Council of Foreign Ministers, see V. M. Dean, "Issues Before Paris Peace Conference," *Foreign Policy Reports*, August 1, 1946.

6. "The Paris Peace Conference," cited, p. 741.

7. "Peacemaking at Paris," cited, p. 191. See Philip E. Mosley, "Peacemaking, 1946," *International Organization*, February 1947, pp. 28-29, for an analysis of the rules devised for the Paris Conference.

ence as proposed by the Council of Foreign Ministers, the members were not supposed to change, or even pass judgment on the large number of clauses concerning which the Ministers had already reached decisions, and on the twenty-six points which the Council had been obliged to leave open because of their inability to achieve agreements, the conference was merely to make "recommendations." Whether these recommendations would be seriously considered and adopted by the Foreign Ministers when they drew up the final drafts of the treaties was left entirely to the discretion of the Ministers themselves.

Despite the restrictions imposed on the Paris sessions at the insistence of Russia, the conference succeeded in giving the smaller Allied states and the former enemy countries an opportunity to obtain full discussion of many controversial aspects of the peace treaties and to adopt fifty-nine recommendations by a two-thirds majority and forty-eight recommendations by a simple majority.[8] Moreover, an analysis of the final treaty drafts as they emerged from the third session of the Council of Foreign Ministers, which met at the Waldorf-Astoria Hotel in New York from November 4 to December 12, 1946; reveals that the recommendations of the conference—and especially those backed by a two-thirds vote—played an important if not determining part in settling issues which the Foreign Ministers had heretofore been unable to resolve.

ECONOMIC CLAUSES

REPARATIONS

The central economic clauses of the Italian peace treaty represent a compromise between the opposing views of the U.S.S.R. and the Western powers. When the question of reparations was first broached at the Potsdam Conference in August 1945, Russia tentatively suggested that Italy should pay a total of $600,000,000 worth of reparations. To the Soviet government the major consideration in connection with reparations was the urgent need of the victorious but impoverished U.S.S.R. for immediate assistance in rebuilding its war-devastated areas, and the Russian negotiators insisted that the question of reparations payments was not a matter for examination by economic experts.[9] The United States and Britain, on the other hand, had concluded from the experience of the Allies following World War I that practical reasons made it highly desirable to dispense with all reparations, not only because they might impede the recovery of the paying nations and thus have a depressing effect on international trade, but because efforts to collect them might lead to serious friction and misunderstanding. As Mr. Byrnes also pointed out, the United States had already sent Italy $900,000,000 worth of direct and indirect relief to maintain the country at a bare subsistence level, and the United States was determined that it was "not going to advance millions of dollars to enable Italy to produce goods to be paid as reparations to any of our Allies."[10] At the same time, however, Mr. Byrnes realized that it was necessary for the United States to take into account the attitude of Allied countries "whose territories were laid waste by military operations,"[11] and following the second session of the Council of Foreign Ministers he agreed to limited reparations based on careful consideration of Italy's ability to pay.

At the Paris Peace Conference, when the claims of the smaller Allied countries which had been invaded by Italian troops were considered, the United States further conceded that these states as well as Russia, should be entitled to reparations from Italy, subject to two provisions. First, Italy's total reparations bill was not to exceed $325,000,000 —the figure American experts estimated as the extent of the capacity of Italy to pay—and, second, the states receiving goods from current production were to furnish Italy, on commercial terms, with raw materials normally imported by Italy.

Having established these principles, the conference turned to the difficult question of how Italian reparations should be allocated. While the United States and Britain contended that Greece should receive the same amount as Yugoslavia, Russia insisted that Marshal Tito's government was entitled to twice the sum alloted Greece. Moreover, Russia and the Slav group argued that Albania should also receive reparations, while the Western powers demurred on the ground that Albania was still formally at war with Greece. According to a complicated arrangement devised by the final session of the Foreign Ministers the Soviet demands in behalf of Yugoslavia were met by providing that the Yugoslavs should receive $125,000,000 and the Greeks $100,000,000 from Italy, while the requirement of the Western powers that these two smaller Allies should receive equal amounts was fulfilled by requiring Bulgaria—whom Russia had heretofore insisted should pay no reparations—to

8. "Third Session of the Council of Foreign Ministers," Department of State *Bulletin*, February 2, 1947, p. 184.

9. "Report on First Session of the Council of Foreign Ministers," *ibid.*, October 7, 1945, p. 509.

10. "Report by the Secretary of State on the Paris Conference of Foreign Ministers" (May 20, 1946), *ibid.*, June 2, 1946, p. 950.

11. "Paris Peace Conference," cited, p. 739.

states from acquiring particularly dangerous instruments of war, the treaties make no real attempt to take into account the effects of new weapons on the strategic geography of Europe.

PRELUDE TO GERMAN TREATY

The peace settlements with the five former Axis satellites are important not only as the first real step toward the return to normal peacetime conditions. They are perhaps equally significant because the experience gained in the course of the negotiations on the satellite settlements may prove helpful to the Allies in connection with their present and forthcoming work on the German treaty. One conclusion which clearly emerges from the record of the laborious negotiations concerning Italy and the other Axis satellites is that peacemaking under present international conditions is a very long process, and that there can be no substitute for months and even years of diplomatic manoeuvering. Mr. Byrnes observed at the close of the Paris Peace Conference: "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."[45] This advice, given at a moment when there was widespread discouragement in this country because of the tedious pace of the Paris conferees during their seventy-nine-day session, applies with even greater force to the German treaty negotiations.

In the second place, the experience of the Paris Peace Conference of twenty-one nations has clearly indicated that any further attempt by the great powers to consult the small nations on terms of peace only after the major decisions have already been adopted by the Big Four may precipitate a revolt on the part of the smaller powers. At one of the final meetings of the Paris Conference, on October 8, Foreign Minister Spaak of Belgium served notice that he would demand a different procedure than that followed in the case of the satellite treaties when the time came to make peace with Germany.[46] For although the small nations represented at Paris managed to make important and useful recommendations on issues upon which the Foreign Minister had not already agreed, M. Spaak complained, they were unable to express their opinion on important questions previously settled by the Big Four. To the United States and Britain, who were particularly eager to assure the smaller powers active participation in the making of the peace, the threatened revolt on the part of these nations was a matter of considerable concern, and both Washington and London were determined to assure them a larger voice in the making of the German settlement. Accordingly, at the New York session of Foreign Ministers, Mr. Byrnes and Mr. Bevin insisted that there should be no hard-and-fast set of decisions among the Big Four on any questions regarding Germany before the views of the European nations were canvassed by the deputies in London during the early weeks of 1947. However, it remained for the Moscow Conference, convened on March 10 to discuss the peace treaties with Germany and Austria, to decide the important procedural questions of which nations other than the Big Four should take part in framing the settlements and how much weight should be given to the views of the smaller powers. On March 20 the Foreign Ministers partially answered these questions by accepting a formula whereby the list of Allied states to be consulted during all subsequent stages of the treaty negotiations will be broadened to include certain non-European nations which were not overrun by the Nazis.

A final conclusion which emerges from the long and difficult period of work on the satellite treaties is that inter-Allied agreement cannot be achieved by assigning particular areas of Europe as spheres of exclusive influence to the East or West. As indicated by the tortuous negotiations leading up to the Italian and Eastern European settlements, both Russia and the Western powers, while willing to concede a position of predominant interest to each other in the Mediterranean or the Balkans, claim the right to be consulted on all international questions regardless of the particular region concerned. Under these conditions, any proposals for a western-oriented United States of Europe, with the Ruhr as its economic hub, or any Soviet efforts to use the German Communist party as a means of maintaining long-term control over the Reich, can only lead to further postponement of the German settlement.

45. "Report on the Paris Peace Conference," cited, p. 742.
46. *Chronology of International Events and Documents*, cited, p. 638.

In the May 1 issue of FOREIGN POLICY REPORTS:

THREE PLANS FOR COLONIAL PROGRESS *by Vernon C. McKay*

The ( ) for Treaty Re

By Winifred N. Hadsel and O. K. D. Ringwood

In spite of the efforts the Allies made to prevent the development of a revisionist movement after World War II by permitting the former Axis satellites to present their views at the Paris Peace Conference, Italy, Rumania, Hungary and Bulgaria launched a campaign for modification of the peace settlements the very moment the treaties were signed in Paris on February 10.[1] Finland alone among the defeated nations filed no official protest against the terms imposed by the Allies.

CHARGE OF "DICTATION"

Two common complaints registered by Italy and the other ex-enemy states against the treaties are that the agreements were "dictated," and that the Allies failed to give adequate recognition to the contributions the former enemy countries made to the United Nations during the final phases of the war. Italy contends with particular bitterness that the active assistance it rendered the Allies, following its unconditional surrender in September 1943, was not sufficiently appreciated by the treaty-makers. Foreign Minister Carlo Sforza and Premier Alcide de Gasperi declare that Italy was entitled to receive easier territorial and economic terms, and that the Italian navy—which fought in the closing years of the war alongside the Allied navies—should not have suffered the "undeserved humiliation" of virtual disbandment.[2]

OTHER CAUSES OF DISCONTENT

Italy's demands for revision center on the provisions concerning Trieste, the former Italian colonies, and the reparations bill of $360,000,000.[3] Popular opposition to these clauses is so strong in Italy, that the government has found it necessary to give special assurances to the Constituent Assembly that ratification of the treaty will not be complete until the Assembly gives its assent.

Bulgaria, having suffered few losses under the terms of its treaty, regards the peace settlement as a whole with satisfaction. The pro-Soviet Fatherland Front regime, however, maintains that the Western powers committed an "extreme injustice against the new democratic Bulgaria" by refusing to recognize the country's cobelligerency during the period from September 1944 until the end of the war, and by presenting a reparations bill for $70,000,000.[4] To Rumania, the most serious grounds for official complaint are that the Allies failed to deduct from the country's reparations the sum of $500,000,000, which the Foreign Office in Bucharest estimates it spent on the war against Germany between September 1944 and V-E Day.[5] Although some nationalist elements in Hungary privately deplore the loss of at least some of the territories their country gained during the period of collaboration with the Axis, the government is keenly aware that it would be highly impolitic to refer to these areas. Instead, therefore, of voicing objections to the virtual reestablishment of the boundaries created by the Treaty of Trianon in 1919, Hungary contents itself with protesting the absence in its treaty of special guarantees of the rights of the approximately three million Hungarians living in Rumania, Yugoslavia and Czechoslovakia.[6]

STRATEGY FOR REVISION

All four states demanding changes in the peace settlements have mapped out a strategy for achieving revision of the treaties which calls not only for direct diplomatic negotiations with the Allies, but also for action by the United Nations. As soon as the ex-enemy countries are admitted to membership in the international organization, they will probably request a hearing before the General Assembly under Article 14 of the Charter, which provides that the Assembly may recommend measures for "the peaceful adjustment of any situation . . . which it deems likely to impair the general welfare or friendly relations among nations." If, however, one of the states desiring treaty revision believes that a specific provision of its settlement "endangers the maintenance of international peace," it could present its case to the Security Council, under Articles 34 and 35 of the Charter.

1. For summary of protests presented by the Italian, Rumanian, Hungarian and Bulgarian delegations to French officials, who were requested to convey the statements to the other signatories of the treaties, see *New York Times*, February 10, 1947.

2. Speech by Premier de Gasperi to the Constituent Assembly, February 8, 1947. *Daily Report, Foreign Radio Broadcasts* (Central Intelligence Group, Washington, D.C.), February 10, 1947.

3. Interview with Foreign Minister Sforza, February 16, 1947. *Daily Reports*, cited, February 17, 1947.

4. Speech by Vulka Chervenkov, Secretary of the Communist party and member of the Fatherland Front, to a public rally in Sofia on February 10, 1947. *Daily Report*, cited, February 12, 1947.

5. Rumanian note of February 8, 1947 to the Allied governments, cited.

6. Hungarian note of February 8, 1947 to the Allied governments, cited.

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The Occupation of Japan

BY LAWRENCE K. ROSINGER

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The Occupation of Japan

BY LAWRENCE K. ROSINGER

IN Japan, even more than in Germany, the United States faces a clear-cut test of its ability to act as effectively in peace as in war. The price of an unsuccessful occupation would be high in either country. But in Germany the responsibility for rooting out militarism and helping to reorient the people rests on four powers, each operating in a separate zone. In Japan, however, there are no zones, and there is in essence only one occupying authority, the United States; for despite the creation of international machinery to shape occupation policy the actual role of other powers has been slight.

POSITION OF U.S. AND MACARTHUR

In the autumn of 1945, in accordance with proposals made by the United States, a Far Eastern Advisory Commission was established to help in formulating policy toward Japan, but the Soviet Union did not participate, since it desired an international control commission. At the Moscow Conference of Foreign Ministers in December 1945 a compromise was finally reached when the Big Three agreed to create a Far Eastern Commission (supplanting the Far Eastern Advisory Commission) and an Allied Council for Japan. The former body, with headquarters at Washington, contains one representative from each of eleven governments: the United States, United Kingdom, Soviet Union, China, France, Netherlands, Canada, Australia, New Zealand, India and the Philippines. The Allied Council for Japan, located in Tokyo, contains one representative from each of the following: the United States, Soviet Union, China and a British group (Britain, Australia, New Zealand, India). The chairman is the American representative, who may be either the Supreme Commander—General MacArthur—or his deputy.[1]

The Allied Council, whose stated function is to consult with and advise the Supreme Commander, has been a public forum which for many months saw much of its time consumed by sharp clashes between the American representative, George Atcheson, Jr., and the Soviet member, Lieutenant General Kuzma Derevyanko. There were also numerous disagreements between Atcheson and the British Commonwealth member, W. MacMahon Ball. Recently the Council sessions have lost something of their tempestuous quality, but the Council as yet has played no significant part in setting the course of the occupation.

The Far Eastern Commission, which carries on its work in private sessions, has devoted considerable energy to the careful study of various occupation problems, such as reparations, trials of war criminals, food imports and the Japanese constitution. Its function is to adopt policy decisions, which are transmitted to the Supreme Commander through the United States government. Although the Commission has on some questions followed an independent course, for example, by questioning the Supreme Commander's handling of certain aspects of constitutional revision, its decisions have for the most part formalized and internationalized existing United States policies. Recently on the issue of interim reparations the United States decided to take action without waiting for a decision by the Commission. It is plain, however, that if there is to be a larger degree of international cooperation on Japan, the Commission can serve as an appropriate instrument.

Within the framework of American authority, General MacArthur's position has been extraordinarily strong, for his efforts to keep his occupation powers intact have been largely successful. As a result few Americans in history have had so decisive a voice in fashioning a major segment of policy. It is especially noteworthy that his influence in the occupation of Japan finds no parallel in the occupation of Germany. In view of these facts, although many measures linked with his name have actually originated elsewhere, MacArthur is far more than an executor of a course set by others. He is rather a leading policy-maker, exerting pressure both in Japan and the United

1. Department of State, *Occupation of Japan: Policy and Progress* (Washington, D.C., Government Printing Office, 1946), pp. 69-73.

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States through his public statements, his day-to-day attitude toward Japanese developments, and the timing of his actions.

IS JAPAN REALLY CHANGING?

The occupation of Japan has proceeded with amazing smoothness ever since it was launched in September 1945. The repatriation of many millions of Japanese troops overseas and the demobilization of the Japanese armed forces have been carried out with almost incredible efficiency. During the entire period there has been no evidence of any significant overt act of hostility by the Japanese against the occupation, and both the people and their leaders have shown a striking spirit of compliance in accepting defeat. The common American feeling that all is well in Japan has been heightened by the Supreme Commander's frequent references to the democratization of the defeated enemy nation. For example, in a statement made on September 2, 1946, the first anniversary of the surrender ceremony, he declared that when the Japanese saw the "spiritual quality" of the American combat soldier, "a spiritual revolution ensued which almost over night tore asunder a theory and practice of life built upon two thousand years of history and tradition and legend."[2]

The formal framework of Japanese life has undergone extensive alterations, and there has been a considerable influx of new ideas. The chief problem in judging the occupation is to decide how lasting these changes are likely to be. In the past there has been little popular control over Japan's national life, and the forces of militarism, economic monopoly, landlordism and political authoritarianism have been dominant.[3] Under the circumstances it is not surprising that after less than two years of occupation Japan's future path remains uncertain. But it is therefore all the more necessary to ask whether the progress which seems to have been made in the direction of a new Japan has substance to it or is simply a passing phenomenon.

FRAMEWORK OF THE OCCUPATION

Although occupation policies were in some respects improvised hastily because of Japan's early surrender, they reflect certain aspects of previous American policy toward Japan, in addition to incorporating several declarations made by the Allies during the war. The decisions reached by Roosevelt, Churchill and Chiang Kai-shek at Cairo in November 1943 and by Roosevelt, Churchill and Stalin at Yalta in February 1945 pledged a Japan without empire. At Potsdam on July 26, 1945, the United States, Britain and China went beyond this to issue a broad statement on occupation policy toward the Japanese government and people.[4] Soon afterward, on August 8, the U.S.S.R. expressed its adherence when it declared war on Japan.

Under the Potsdam terms "the authority and influence of those who have deceived and misled the people of Japan into embarking on world conquest" were to be "eliminated for all time," and "points in Japanese territory" were to be occupied. Japan's war-making power was to be destroyed, and "Japanese sovereignty" limited essentially to the four main islands. The military forces were also to be disarmed, war criminals were to receive "stern justice," civil liberties were to be guaranteed, and "the Japanese Government" was to "remove all obstacles to the revival and strengthening of democratic tendencies among the Japanese people." The Allies declared that they would allow Japan industries to "sustain her economy" and to provide "just reparations in kind," but not to rearm. Japan was also to have access to, but not control of, raw materials, and was to be allowed eventually to participate in world trade. The occupying forces would be withdrawn after the various Allied objectives had been achieved and after Japan had established "in accordance with the freely expressed will of the Japanese people a peacefully inclined and responsible government."

The Potsdam Proclamation outlined some of the essential aspects of a sound occupation policy. At the same time it was so worded as to constitute an appeal to Japan's rulers to surrender short of invasion. The references to "Japanese sovereignty," "the Japanese Government," and occupation of "points in Japanese territory" all indicated that the Allies would work in some fashion through a continuing Japanese state. Phrases such as "self-willed militaristic advisers" and "those who have deceived and misled" Japan also suggested that the Allies would seek to differentiate between a group about the Emperor, regarded as having peaceful inclinations, and another group of leaders and advisers, considered the fountainhead of militarism. The Potsdam Proclamation therefore fitted smoothly into the grooves of previous American policy, for throughout the thirties, and during the war period, the United States had made a distinction between so-called "moderate" and "extremist" ele-

2. *New York Herald Tribune,* September 2, 1946.

3. For a description of the ruling elements in the older Japan, see Lawrence K. Rosinger, "What Future for Japan?" *Foreign Policy Reports,* September 1, 1943.

4. Text of Cairo and Yalta declarations in *Occupation of Japan,* cited, pp. 51-53. Text of Potsdam Proclamation, *ibid.,* pp. 53-55.

ments in the Japanese government. The hope at first was that the "moderates" would become dominant and keep the peace; later that they would restore the peace and to a significant degree work with the United States in the peace.[5] As a result, the United States government entered the post-war period with a special interest in the Japanese Emperor and circles linked with him.

The most elaborate definition of occupation objectives is the United States Initial Post-Surrender Policy declaration of August 29, 1945, a Presidential paper drafted for the guidance of General MacArthur as Supreme Commander by the State, War and Navy Department Coordinating Committee.[6] Sharper in tone and more detailed than the Potsdam Proclamation, this statement clarified the objectives and nature of the occupation authority. The Emperor and Japanese government were declared subject to the Supreme Commander, who was to exercise his powers through them "to the extent that this satisfactorily furthers United States objectives." The Supreme Commander might, however, require changes in governmental machinery or personnel, or act directly if necessary, and was not committed to support the Emperor or government against "evolutionary changes" in accordance with American objectives. There followed a highly significant passage: "The policy is to use the existing form of government in Japan, not to support it. Changes in the form of government initiated by the Japanese people or government in the direction of modifying its feudal and authoritarian tendencies are to be permitted and favored. In the event that the effectuation of such changes involves the use of force by the Japanese people or government against persons opposed thereto, the Supreme Commander should intervene only where necessary to ensure the security of his forces and the attainment of all other objectives of the occupation."

This document provided, in effect, for a policy of supervised revolution in Japan. It specified that Japan was to be disarmed and demilitarized, ultranationalists were to be purged, political prisoners freed, civil rights guaranteed, and the schools, laws and political system reformed. In addition, the "economic basis of Japanese military strength" was to be destroyed, war production was to cease, and the Supreme Commander was "to favor a program for the dissolution of the large industrial and banking combinations which have exercised control of a great part of Japan's trade and industry." Encouragement was also to be given to democratic organizations in labor, industry and agriculture. There was a clear-cut statement that "the plight of Japan is the direct outcome of its own behavior, and the Allies will not undertake the burden of repairing the damage." Various economic responsibilities were placed on the Japanese government, and general principles were established for handling reparations and controlling Japanese foreign trade.

After landing in Japan and receiving the surrender on September 2, 1945, General MacArthur directed his attention first of all toward bringing in enough troops to ensure security and disarming and demobilizing the Japanese forces. MacArthur himself became known by the abbreviation, SCAP (Supreme Commander for the Allied Powers), a contraction which was also applied to his headquarters and the occupation's policy-directing apparatus. Although subordinate to MacArthur, the Eighth Army, the actual occupying force, was separate from the SCAP organization. Faulty liaison between SCAP in Tokyo and the Eighth Army in the field subsequently became a major administrative difficulty.

SCAP'S own organization also presented important problems of personnel and technique. The top levels, largely military, consisted of MacArthur, his general staff, and the heads of the various sections of SCAP's General Headquarters (Government, Legal, Economic and Scientific, Civil Information and Education, Natural Resources, etc.). The sections covered the essential aspects of the occupation, and their personnel, civilian and military, received the task of appraising conditions and drawing up recommendations for use in executing policy. In theory all acts of the Japanese regime were to be observed carefully, but SCAP was short of staff. At the same time there were internal difficulties of organization, such as the fact that a large number of separate SCAP sections had to be consulted and coordinated in considering Japan's economic problems.[7]

Under the circumstances, while SCAP's personnel worked diligently, the occupation authorities were in large measure dependent for statistical and other data, as well as for the execution of policy, on the Japanese government they were seeking to control and remake. A different kind

5. See Joseph C. Grew, *Ten Years in Japan* (New York, Simon and Schuster, 1944); also former Ambassador Grew's Chicago speech of December 29, 1943, as reported in the *New York Times*, December 30, 1943; and Ellis M. Zacharias, *Secret Missions: The Story of an Intelligence Officer* (New York, Putnam. 1946), p. 370, ff.

6. Text in *Occupation of Japan*, cited, pp. 73-81.

7. John R. Stewart, *Notes on the Economic Aspects of the Allied Occupation of Japan* (New York, Institute of Pacific Relations, 1947) (mimeographed), pp. 4-5.

more than 4,400,000 in December 1946. While showing signs of immaturity, the labor movement is probably the most important genuinely new force in Japanese life and could play a useful role in the remolding of Japan. There are three principal federations of labor unions: (1) the National Congress of Industrial Unions, claiming 1,607,699 members on September 30, 1946, (2) the General Federation of Japanese Trade Unions, claiming 1,061,899 members on the same date, and (3) the All-Japan Council of Labor Unions, whose preparatory committee in late October 1946 represented 300,000 unionists.[30] Recently these groups and a number of semi-independent unions, including railway and communications workers, have been unified through the creation of a National Liaison Council of Labor Unions.

Politically the National Congress leans toward the Left, including Communist influence, the General Federation is under right-wing Social Democrats, and the All-Japan Council reflects left-wing Social Democratic leadership. The Japanese unions have been deeply interested in politics—perhaps chiefly because governmental policy is a crucial factor in Japanese economic life—but the inflation and other economic considerations have been the main causes of labor action. The attitude of SCAP toward labor has had two aspects. On the one hand, the entire post-war expansion of Japanese unionism has arisen from the unprecedented freedom of organization made possible by SCAP. On the other hand, SCAP has been disturbed by the political implications of the new unionism, especially the presence of Communist leadership and the pressure exerted on the Japanese government by the unions. In seeking to counter these conditions, drastic steps have sometimes been taken, notably on January 31, 1947, when General MacArthur forbade a proposed strike of some 2,500,000 government employees which had been called for February 1.

THE SPIRIT OF THE OCCUPATION

Although the United States has had great freedom of action in Japan and Russia's influence has been at a minimum,[31] policy toward Japan has been deeply influenced by the trend of American-Russian relations. It appears likely, for example, that every significant development in Japan has been scrutinized by the occupation authorities for its possible influence on Japan's future role with respect to the U.S.S.R. and the United States. While this type of scrutiny is inevitable under current world conditions, inherent in it is the danger that American-Russian difficulties may serve to inhibit Japan's anti-militaristic evolution. All Japanese groups, conservative, liberal and radical, are naturally quick to measure and react to changes in the political atmosphere of SCAP. As a result, if the United States were to become permanently committed to Japanese right-wing elements because of fear of the Japanese Left and Russia, the rise of constructive liberal forces would be frustrated. Under such circumstances Japan might seek to return to an aggressive course. Latent hopes of such a development have probably been encouraged by chaotic post-war conditions in China, which serve to strengthen Japan's relative position in Asia. Significantly, Japanese right-wing circles give every indication of regarding themselves as potential political and military allies of the United States.

The spirit of the occupation is linked with the problem of its duration, for it is clear that while the framework of a progressive evolution has been created, the stated objectives of the occupation are far from having been achieved. It appears probable, given the balance of forces in Japan today, that an early American withdrawal would cut the ground from under liberal, anti-militarist elements who need more time to grow. Continued occupation, however, is in itself no guarantee of Japan's development toward a peaceful society. The occupation can succeed only if it vigorously pushes the reforms laid down in the directives and encourages the rise of the new type of Japanese leadership needed to carry them out.

30. *Summation,* cited, November 1946, p. 211; December 1946, pp. 28-29.

31. That the Russians are deeply interested in Japanese developments is indicated by editorial comment in their press, the statements of their representative on the Allied Council, the large staff associated with him, and their efforts to bring Russian books and other published materials to the attention of the Japanese. But the overall influence of the U.S.S.R. inside Japan has been slight, in part because SCAP apparently has sought to keep to a minimum all direct foreign influence other than that of the United States. This seems to have been especially true in relation to Russia.

In the June 1 issue of FOREIGN POLICY REPORTS:

SOUTH AFRICA—*Land of Conflicts* *by Grant S. McClellan*

The Japanese Elections of April-May 1947

By Lawrence K. Rosinger and O. K. D. Ringwood

The launching of the new Japanese constitution on May 3 followed the holding of four separate elections at various levels of government. On April 5 the electorate voted for the governors of prefectures (equivalent to our states), city and town mayors, village headmen, and members of local assemblies. On April 20 members of the House of Councillors—the new upper house of the Japanese Diet, replacing the old House of Peers—were chosen. On April 25 balloting took place for the House of Representatives, lower house of the Diet. And on May 1 the voters selected the prefectural councils (equivalent to our state legislatures).

Although complete returns are not yet available, the main results are known. The party affiliations of the 46 prefectural governors elected on April 5 (and in run-off balloting on April 15) are as follows: independents, 31; Liberals, 4; Social Democrats, 4; Democrats, 3; minor parties, 4. Since the independents as a group were conservatives, who felt their chances of success would be greater if they ran without party designation, the balloting was a victory for the right-wing circles represented by the Liberals and Democrats (formerly the Progressives). The conservatives also won a sweeping victory in the local contests for village, town and city posts. The Social Democrats, however, received about 24 per cent of the total vote for prefectural governors, an unexpectedly high figure, which was not reflected in the number of Social Democrats who won governorships.

Of the 250 members of the House of Councillors 242 were chosen on April 20, with the remaining 8 seats undecided because a serious fire caused the postponement of voting in one city. The distribution of the successful candidates is as follows: independents (plus a small group from various minor parties), 117; Social Democrats, 45; Liberals, 39; Democrats, 29; People's Cooperatives (formerly Cooperative Democrats), 8; Communists, 4. This also represented a victory for the Right, since most of the independents came from their ranks. It should be noted, however, that a number of labor leaders were elected as independents or Social Democrats.

The April 25 elections for the House of Representatives diverged somewhat from the main trend, with the Social Democrats emerging as the largest single party in the lower chamber of the Diet. The 466 members of the new House include 143 Social Democrats, 133 Liberals, 126 Democrats, 31 People's Cooperatives, 4 Communists, and 29 minor party members and independents. The popular vote of the Liberals, however, exceeded that of the Social Democrats, since the two parties received 27 per cent and 26.2 per cent of the total, respectively. The Democrats followed close behind with 25.8 per cent, while the People's Cooperatives secured 7 per cent, the Communists 3.5 per cent, and independents and minor parties about 10.4 per cent. In the May 1 elections for prefectural councils the conservative pattern of April 5 and 20 was repeated.

Although many factors entering into the elections remain uncertain, the following conclusions may be drawn: (1) The right wing won an important victory, but there was a slight trend toward the center. Here it should be borne in mind that the predominant Social Democratic leadership leans strongly toward the right and has long been interested in a coalition with the two large conservative parties. (2) If the election is analyzed in terms of parties—rather than political positions—there was a trend toward the Social Democrats. The large number of independent candidates elected, especially in local contests, indicates, that party politics has not yet become strong at the grass-roots level. (3) The electorate, while endorsing conservatism, desired a change of cabinet, perhaps largely for economic reasons. (4) The Communists suffered a very severe electoral defeat, winning no governorships, losing two seats in the House of Representatives, and polling less than half as many votes as in the balloting of April 1946. (5) The Yoshida cabinet apparently used its governmental position to the disadvantage of opposition groups. On March 30, with less than half the Diet members present, a right-wing bloc in the lower House passed a new election law, providing for redistricting and changes in the method of voting. This action probably worked to the disadvantage of the Social Democrats, Communists and women candidates. The handling of local elections also favored well-established as against new candidates, and the predominantly Liberal government used the purge of politically undesirable elements in such a fashion as to weaken its conservative rivals in the Democratic party. (6) The conditions of voting were essentially free and democratic, but the results suggest that Japan has a long way to go before it can be said to have broken decisively with the past.

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VOL. XXVI, No. 33 MAY 30, 1947

PLANNING STAFF SEEKS TO IRON OUT POLICY CONTRADICTIONS

THE most encouraging development within the State Department since George C. Marshall's appointment as Secretary of State is the establishment of the Policy Planning Committee headed by George F. Kennan, veteran Foreign Service officer, who has had wide experience in Europe for twenty years, notably in Germany and Russia. The function of this committee is to study long-term world trends and, on the basis of information garnered from many sources, map out the groundwork for an overall foreign policy program for the United States. The many interests this country has developed abroad as a result of the war, and the growing complexity of our relations with other nations, which involve problems of economics and philosophies of life as well as politics, give the work of this committee top rating in national importance.

It is inevitable that in a society like ours, where there must be an opportunity for all interests to be heard, no matter how narrow, there should be much conflicting counsel, with resulting confusion of public opinion on key issues such as the advisability of loans to Greece and Turkey. Once outside the overheated atmosphere of Washington and New York, however, one becomes aware that the American people are endowed with rare common sense, which is the most effective antidote against current attacks of hysteria about world problems. But this common sense also leads thoughtful citizens to detect certain divergences between the declared objectives of the United States and the concrete policies used to achieve them.

HUMANITARIANISM NOT ENOUGH. One of the primary objectives of the United States is to give as much aid as possible to less fortunate peoples. Granted that our material resources may be sufficient not only to maintain here the highest standard of living known in history, but also to help other nations, the fact remains that no other country in its heyday has been so constantly and—let it be said without undue modesty—so genuinely preoccupied with human suffering outside its own borders. It is estimated that the United States since V-J Day has contributed over five and a half billion dollars for relief of devastated countries in Europe and Asia, including the work of UNRRA (72 per cent of whose funds were furnished by this country) and other government allocations, to which should be added several hundred million dollars in private relief contributions. Yet the United States vigorously urged in the UN General Assembly last fall the termination of UNRRA activities. UNRRA's work is to end on June 30, but arrangements remain to be completed for a substitute relief program under national auspices and for the transfer of displaced persons to the care of the newly organized International Refugee Organization (IRO). The uncertainties of this transition period have caused much confusion, hardship and anxiety abroad.

Moreover, public discussion here of the problems of the nearly one million DP's (most of whom are kept alive with United States funds, but without having an opportunity to do productive work), has gone on the assumption that the DP problem could be settled by the admission of 100,000 Jews into Palestine. Our unquestionably generous humanitarianism would seem more convincing to other peoples if we would squarely face the fact that only a portion of the DP's are Jews, and that we might contribute to their resettlement and rehabilitation by immediate use of immigration quotas not filled during the war. This action, it is estimated, would permit the entrance of 100,000 immigrants without any revision of our immigration legislation.

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JUN 21 1947

to grant a new amnesty t_ ıl opponents, might secure the good offices of the Security Council in supervising the measure.

WILL SUGGESTIONS BE IMPLEMENTED? Taken as a whole the recommendations set forth by the Balkan Commission form a thoughtfully compounded prescription for the restoration of good relations between Greece, on the one hand, and Yugoslavia, Albania and Bulgaria, on the other. The blunt warning given the three Slavic states to desist from further interference in Greek affairs, in conjunction with the establishment of a neutral frontier commission empowered to investigate alleged border violations, should quickly reduce the number of incidents which have caused so much fear and distrust between Greece and its neighbors. Moreover, the schemes proposed by the Commission for the resettlement of dissatisfied national groups and the repatriation of political refugees might be expected to help remove some of the deeply rooted causes of friction in the Balkans.

Yet, however coherent and appropriate the suggestions worked out by the majority of the Balkan Commission may appear, it seems highly unlikely that they will all be put into operation. For Russia and Poland, who refused to accept the Commission's recommendations, can hardly be expected to drop their objections when the proposals are laid before the Security Council, and on this occasion the Soviet Union's opposition will be sufficient to block further action. This does not mean that Russia will oppose all sections of the Commission's report. Nevertheless, in view of the determined effort which Andrei A. Gromyko, the Soviet representative at Lake Success, made on May 22 to abolish the interim Balkan sub-commission in Salonika lest it develop into a permanent body, there is little reason to believe that Russia will accept the plan for long-term supervision of the Greek frontier by a neutral commission. Neither does it seem likely that the U.S.S.R. will permit the Security Council to issue a stern warning to Yugoslavia, Albania and Bulgaria to refrain from giving furth ...istance to the Greek guerrillas.

In view of the probable inability of the Security Council to agree upon an integrated plan for resolving the crisis along the Greek frontier, the tasks which the United States faces as it inaugurates its new policy in Greece may become all the heavier. Ever since this policy was formulated by President Truman on March 12, the Administration has distinguished between the external threats to Greece, which it relied upon the United Nations to handle, and the internal dangers arising from local Communist pressure, which it hoped to reduce by the skillful use of American military and economic aid. It appears, therefore, that if the Security Council should fail to devise a scheme for removing the threat to Greece from its northern neighbors, the United States may find itself obliged to cope with an even more difficult and dangerous problem than it originally intended to undertake.

WINIFRED N. HADSEL

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This analysis of the explosive situation in Greece merits a special citation on many counts. It is objective, timely and thoroughly well-informed on the broad international issues as well as the local problems which are involved in the present Greek crisis.

Our Vichy Gamble, by William L. Langer. New York, Knopf, 1947. $3.75

Professor Langer presents a wealth of new evidence on the reasons for our war-time recognition of the Vichy government in France, a policy which he approves because it enabled us to obtain valuable information, and facilitated our invasion of North Africa.

The Republic of Silence, compiled and edited by A. J. Liebling. New York, Harcourt, Brace, 1946. $4.00

The courageous story of the French Resistance movement revealed in selections from its own writers, accompanied by Liebling's incisive commentary.

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These pages are filled with reminiscences from a long and colorful career in the British Consular service. Sir Gerald Campbell has served the United Kingdom, among other places, in the Belgian Congo, Italy, Canada and the United States where he has been known as "the best loved Britisher in America." The book's charm, wit and insight make interesting and pleasant reading.

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This book is based on the thesis that public works programs may be used effectively to counteract cyclical depression and maintain a high level of employment. The authors give a detailed analysis of the obstacles to be met and how they may be overcome. A valuable survey of plans thus far developed in many countries for public investment projects is included.

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of control, however, could have been established only if the American leaders and people had felt the need for a more thoroughgoing occupation. Such a feeling did not develop because the existing tendencies toward a limited effort in Japan and the understandable popular desire for a sweeping demobilization of the American armed forces were heightened by an outpouring of optimistic official statements from Tokyo. On September 15, 1945, for example, Lieutenant General Robert L. Eichelberger, commander of the United States Eighth Army in Japan, declared: "If the Japs continue acting as they are now, within a year this thing should be washed up."[8]

PROGRAM OF THE OCCUPATION

The objectives of the occupation, as laid down in Washington's instructions to MacArthur, were soon expressed in a series of directives covering virtually all aspects of Japanese life. Japanese Imperial General Headquarters was abolished; arrests of a limited group of war criminals took place; and the Japanese government was instructed to establish economic controls, speed the production of essential commodities, and provide complete information on Japan's financial position and regulations. On October 4, 1945 a directive, which became known as the Japanese "Bill of Rights," abrogated all laws restricting civil liberties, ordered the release of all political prisoners, and abolished the secret police and similar agencies. A week later SCAP ordered the government to enfranchise women, encourage labor unions, and liberalize education. Some of the subsequent directives called for dissolution of the leading Japanese economic combines, the development of plans for agrarian reform, and the separation of the nationalistic Shinto religion from the state. Two directives of January 4, 1946 provided for the exclusion of militaristic and ultra-nationalistic personnel from public office and forbade the formation of political organizations of a similar outlook.

The directives and other actions of SCAP in the first half-year of the occupation gave the Japanese people a measure of political freedom they had never known and outlined some of the policies that would have to be enforced if militarism was to be eradicated. But the fact that directives are merely pieces of paper until implemented, or that the execution of so sweeping a group of injunctions is necessarily a long-term problem, has not been fully appreciated in the United States.

The limited staff employed by SCAP to help foster and supervise change in Japan only serves to emphasize the need for Japanese initiative in creating an unaggressive, democratic society. The efficacy of the occupation directives depends in large part on Japan's general political development —the nature of the leaders and character of the political parties, the emergence or non-emergence of a genuine Japanese public opinion. But Japan's development, in turn, is deeply influenced by the outlook of the occupying authorities. As a result, the spirit of American policy—for example, its preferences-in-action among the contending political groups—will prove more significant than the language of the directives.

JAPANESE POLITICS SINCE V-J DAY

One of the principal differences between Japan and defeated Germany is the fact that the framework of the Japanese state has not been destroyed. Continuity of rule has been maintained from war to peace and, despite the removal of the militarists from power, important elements of the wartime and pre-war ruling groups retain a grip on the administrative structure. This grip is looser than before because of the effects of defeat and occupation, but it has not been broken. It is an important fact that while the two Premiers so far named in the post-war period—Shidehara and Yoshida—were not militarists and at times disagreed sharply with the militarists on tactics, they were members of the ruling circles which dominated Japan for many decades. Moreover, the vast bureaucracy of civil servants whose formative period in office was spent in serving an aggressive regime remains largely untouched.[9] This is not to say that all who were associated with pre-surrender governments are unfit for office in a peaceful Japan, or to forget that the infusion of new blood into the Japanese administration is a most difficult task. But until the process of replacing administrative personnel develops on a large scale there will be no assurance that the far-reaching changes initiated since September 1945 will prove lasting.

The Emperor and those of his officials who decided to accept surrender rather than fight on until utter defeat presumably entered the occupation period with political calculations of their own. They already knew from the Potsdam Proclamation and the surrender correspondence that the Allies would begin the occupation by using them as intermediaries in dealing with the Japanese people.[10] In the period between the acceptance of

8. *New York Herald Tribune*, September 15, 1945.

9. See John M. Maki, "Japan: Political Reconstruction," *Far Eastern Survey* (New York), April 9, 1947.

10. Surrender correspondence in *Occupation of Japan*, cited, pp. 56-61. At no point did the United States or the Allies assume any obligations toward the Japanese government. The

unconditional surrender on August 14, 1945 and the tightening of occupation controls in the latter half of September 1945 something of their strategy and hopes was revealed. They acted publicly as if Japan's sovereignty was unimpaired, and in his last statement to the people before the occupation began Emperor Hirohito defended the war against the United States and Britain as arising from "our sincere desire to insure Japan's self-preservation and the stabilization of East Asia."[11] Prince Naruhiko Higashi-kuni, a cousin of the Emperor who became Premier on August 16, 1945, told the Japanese Diet on September 5: "The termination of the war has been brought about solely through the benevolence of our sovereign."[12] Nine days later Higashi-kuni expressed willingness to forget the atomic bomb, if the United States would forget Pearl Harbor. And he added: "We are looking forward to a continuous flow of American capital and technique."[13]

It may be argued that statements of this type were necessary to facilitate acceptance of surrender by a militaristic nation. But the ideas were also in keeping with the mentality of Japan's leaders, who made it clear that they hoped to utilize the occupation in a manner favorable to themselves. They stressed the retention of the imperial state, protested to MacArthur against Russia's military actions in Manchuria before the surrender took place, and urged a disciplined submissiveness on the Japanese people, to impress the conquerors and reduce the extent and duration of the occupation controls. Given their traditional patterns of thought, Japan's leaders also could hardly have overlooked the strategic position of their islands—lying off the coast of Asia as England lies off the coast of Europe—and the opportunities for maneuvering that would arise if American-Russian tension should increase.

Higashi-kuni resigned as Premier on October 5, 1945 and was soon succeeded by Baron Kijuro Shidehara, a veteran diplomat who had served as Foreign Minister a decade and a half before. The new cabinet included some holdovers from the Higashi-kuni regime, notably the Foreign Minister, Shigeru Yoshida, son-in-law of one of the Emperor's closest advisers, Count Makino. The evidence suggests that both Shidehara and Yoshida were considered for the premiership and were acceptable to Higashi-kuni.[14] The Shidehara cabinet, although containing a number of new faces, was in spirit little more than a reshuffle of its predecessor. Seven months later, when Yoshida became Premier, Shidehara was included as Minister without Portfolio, and the government rested on a coalition of their two parties. Shidehara's father-in-law was the head of the Mitsubishi trust, and a number of other important members of his cabinet were closely associated with the Mitsui and Sumitomo combines or the Bank of Japan. This indicated an important characteristic of post-war Japan: that following the removal of outright militarists from positions of power, persons linked directly or in outlook with the other major element among Japan's rulers—namely, the economic combines, or *Zaibatsu*—remained prominent.

JAPAN'S POLITICAL PARTIES

Soon after the launching of the occupation political parties, which had been suppressed in Japan for some years and had never operated freely, began to reappear. Of these the most influential were the Liberal, Progressive (now Democratic), Social Democratic and Communist parties.[15]

The Liberal and Progressive parties, representing the most conservative elements in Japanese life, have sought to preserve as much as possible of the old Japanese social structure. Their character is indicated by the fact that the continuing purge of pro-militaristic Japanese from public life has borne most heavily on their leaders. In May 1946, for example, Ichiro Hatoyama, then president of the Liberal party, was purged by SCAP as "an undesirable person" who "has consistently supported Japan's acts of aggression."[16] The programs of the two parties have been of a very general character except on the issues of supporting the Emperor system and opposing communism.

Despite the purges the Liberals and Progressives have drawn strength from the well-established conservative character of Japanese political life, especially in the countryside. Their strongest backing has come from financial, business and landowning circles, as well as from peasant proprietors and professional people.[17] They have benefited from the fact that the execution of the directives issued in Tokyo has depended in large part on the

United States declared on September 6, 1945: "Our relations with Japan do not rest on a contractual basis, but on an unconditional surrender." *Ibid.*, p. 89.

11. *New York Times*, August 15, 1945.
12. *Ibid.*, September 6, 1945.
13. *Ibid.*, September 15, 1945.
14. *New York Herald Tribune* and *New York Times*, October 5, 6, 7, 1945.
15. Charles Nelson Spinks, "Postwar Political Parties in Japan," *Pacific Affairs* (New York), September 1946.
16. Supreme Commander for the Allied Powers, *Summation of Non-Military Activities in Japan* (Tokyo), May 1946, pp. 23-24.
17. *Nippon Times* (Tokyo), February 4, 23, 1947.

cooperation of persons holding similar views who permeate the central, prefectural and local governments. While carefully avoiding head-on conflicts with the occupation authorities, the leaders of the two parties have rarely shown any desire to go beyond SCAP's directives and frequently have been in a position to blunt the effect, or delay the execution, of occupation policy.

The Social Democratic party[18] has directed its appeal to dissatisfied elements among salaried and professional people, city workers, and rural smallholders and tenants. Although the largest party in the Diet, as a result of the April 1947 election, the Social Democrats have been hampered by their heterogeneous membership. The dominant right wing, which has lost some members in SCAP's purges, includes such leaders as Suyehiro Nishio and Rikizo Hirano. Tetsu Katayama, the party's chairman, is a Centrist leaning toward the Right. Two of the important left-wing leaders are Kanju Kato and Mosaburo Suzuki. The party as a whole stands for a moderate socialism (including nationalization of banks and key industries), improved conditions for industrial workers, and aid to small business. But the right wing has inclined toward a coalition with the Liberal-Progressive bloc and the left toward a united front with the Communists. This difference has been linked with disagreements over the activities of the trade unions and the general outlook of the party.

The Communist party appeared openly on the political scene in October 1945, when many of its top leaders were released from prison. Although small in numbers, the Communists have exerted considerable influence in trade union and intellectual circles and have been active in promoting mass demonstrations for economic and political purposes. But their success at the polls has been very limited. Their two best-known leaders are Kyuichi Tokuda, secretary-general, and Sanzo Nosaka. The Communist program stresses agrarian and industrial reforms, but the preservation of the right of private ownership is also pledged.[19] Unlike the other parties, the Communists prior to the promulgation of the new constitution in November 1946 opposed the Emperor system and called for a republic—a demand which undoubtedly served to restrict their political appeal and which they now appear to have abandoned.

The Diet election of April 1946—the first held under the occupation—resulted in a conservative victory, with a Liberal-Progressive bloc controlling the new parliament.[20] The balloting brought out 72.1 per cent of the registered voters and was freer than any previous Japanese election. Especially notable was the fact that women voted for the first time, and that 38 women won seats in the Diet. This was a small symbol of the upsurge of women in Japan, for the process of female emancipation, although necessarily slow, has been one of the major developments of the occupation period.

In May 1946 Shidehara was succeeded by Yoshida as Premier. In the preceding months Shidehara's position had grown increasingly difficult because of opposition attacks and the purge of January 4, but support from SCAP had made it possible for him to weather the storm. Yoshida, although representing the Liberal party, the largest single group in the new Diet, and also receiving Progressive backing, soon found himself in a similar position. This situation arose mainly because of the dissatisfaction of organized labor, attacks by the Social Democrats and Communists, and widespread popular dissatisfaction over a worsening economic situation which the government, even within its powers, seemed to be doing little to alleviate. Hard pressed by the opposition, Yoshida was sustained by SCAP. On October 16, 1946, for example, George Atcheson, Jr., acting as MacArthur's deputy in the Allied Council in Tokyo, declared with reference to the Japanese government that "the time has come when Japanese aims have become virtually identical with Allied aims."[21] Nevertheless agitation against the cabinet continued, and on December 17 large-scale labor demonstrations were held to support a Social Democratic resolution for immediate dissolution of the Diet, i.e. for new elections. At the end of January 1947 a last-minute prohibition by SCAP prevented a widespread strike of government workers, which might have caused the downfall of the cabinet. Shortly afterward SCAP ordered new elections.[21a]

THE EMPEROR AND THE CONSTITUTION

During the war years no question about policy toward Japan was argued more heatedly in the United States than the issue of the Emperor's

18. *Summation,* cited, April 1946, pp. 25-26. "Japan Under Control," *The Economist* (London), August 10, 1946, pp. 202-203.

19. *Summation,* cited, February 1946, pp. 33-35.

20. Many Diet independents later joined some larger group, producing the following line-up of the most important parties at the end of 1946: 148 Liberals, 111 Progressives, 99 Social Democrats, 44 Cooperative Democrats and 6 Communists. *Summation,* cited, January 1947, p. 32. The Cooperative Democratic party (now People's Cooperative party) has a conservative agrarian outlook. In April 1946 it stood fifth in popular votes, receiving slightly fewer than the Communists, although winning more than three times as many seats.

21. *New York Herald Tribune,* October 17, 1946.

21a. See p. 60 for April 1947 elections.

future. Some regarded the Emperor as a peacefully inclined puppet of the Japanese militarists—a puppet who might, as a constitutional monarch, become a force for peace. Others viewed the Emperor as an institution crucial to Japanese miltarism—an institution whose survival might well make a resurgence of the militaristic state possible. The former group tended to stress the importance of stability in a defeated Japan, the latter the need for fundamental change.

Since the end of the war the Emperor issue has been overshadowed by day-to-day developments in other fields and by the seeming completeness of steps taken to divest the Emperor of his divinity and political powers. Early in the occupation preparations were made to enable Hirohito to become a constitutional monarch. He visited General MacArthur, gave an interview to the press, and toured devastated areas. In a New Year's rescript for the year 1946 he referred to "the false conception that the Emperor is divine and that the Japanese people are superior to other races and fated to rule the world."[22] In March 1946 the Shidehara cabinet issued a proposed draft for a new Japanese constitution to replace the highly undemocratic Meiji constitution of 1889. Under the terms of the draft, which reportedly had been drawn up by SCAP's staff, Japan was to become a constitutional monarchy with an Emperor shorn of his governmental powers and serving as "the symbol of the state and of the unity of the people, deriving his position from the will of the people with whom resides sovereign power."[23] Other clauses renounced war for all time, provided for a responsible cabinet system, and guaranteed extensive civil liberties.

The new constitution, with its many admirable clauses, represents a striking change from the constitution which preceded it. Whether it can be made to work is another matter. It is worth noting that in the Diet debates on the constitutional draft the attitude of the Yoshida government was one of resigned compliance with SCAP's desires, accompanied by hints to the members that distasteful clauses might be eliminated at a more favorable time.[24] With regard to the Emperor, the fact that most Japanese continue to revere him despite his renunciation of divine status may ultimately prove more important than the highly modified role assigned to him under the new constitution. On the basis of developments so far, it would be an illusion to think that he is now a force for a peaceful, democratic Japan.

THE JAPANESE ECONOMY

Although foreign observers tend to pay most attention to Japanese political developments and the international aspects of the occupation, economic factors are uppermost in the minds of the Japanese people. The activities of the political parties, the operations of SCAP, and the attitudes of the Allied powers toward Japan are all examined in terms of food, prices, clothes, housing and jobs.

Judgments about the Japanese economic situation depend on the kind of standards that are used. The Japanese today are not only better off than the Germans, but also better off than some Allied peoples in Asia. Moreover, neither their wartime record nor present need gives the Japanese any right to priority in economic assistance. On the other hand, it is in the interest of the United Nations that revival be promoted within a framework of reform, so that a Japan whose economic institutions have been purged of their militaristic bias may play a useful role in world economy.

Japan's wartime and pre-war economy was so organized as to reflect and reinforce militaristic concepts of government and foreign policy. The *Zaibatsu*, great financial-industrial-commercial holding companies, dominated economic life, preventing the rise of an independent middle class and operating hand in hand with the militarists in aggression. At the same time industrial labor, lacking the right to organize freely, worked in enforced docility, while the peasants were bound to an outmoded agrarian system. The occupation has sought to help remedy these conditions.

Action is under way against the *Zaibatsu* as a group, but has gone farthest against five of them—Mitsui, Mitsubishi, Sumitomo, Yasuda and Fuji—whose stockholders voted dissolution in October 1946 under plans worked out by SCAP. The companies later transferred their securities to the Holding Companies Liquidation Commission, which is to dispose of the assets through sales to the Japanese public. The five firms have not been expropriated, but will receive special government bonds to the value of the capital remaining after the satisfaction of creditors' claims, dissolution costs, and taxes. These bonds, which are to be non-negotiable, will not mature for ten years.[25]

22. *Occupation of Japan*, cited, p. 135.

23. For final text of constitution, as adopted by the Diet in October 1946, see *Summation* cited, October 1946, pp. 22-33.

24. *New York Times*, August 29, 1946; *Christian Science Monitor*, August 31, 1946.

25. William W. Lockwood, "Economic Issues in the Occupation of Japan," *The Yale Review* (New Haven), Autumn 1946, pp. 55-57; Corwin D. Edwards, "The Dissolution of the Japanese Combines," *Pacific Affairs*, September 1946, pp. 227-40; Department of State, *Report of the Mission on Japanese Combines, Part I, Analytical and Technical Data* (Washington, D.C., 1946); Stewart, *op. cit.*, pp. 10-16.

Policy toward the *Zaibatsu* is still incomplete, partly because of the complexity of the economic phenomena involved, the Japanese government's lack of zeal for the task, and delays within SCAP. The difficulties inherent in seeking to create a new financial-industrial ownership, to prevent the new groups from repeating the *Zaibatsu* pattern, and to make it impossible for the old *Zaibatsu* to stage a comeback are tremendous.

With regard to land reform, General MacArthur in December 1945 ordered far-reaching changes "to destroy the economic bondage that has enslaved the Japanese farmers for centuries of feudal oppression."[26] Initial proposals of the Japanese government proved unsatisfactory to SCAP, and it was not until October 1946 that acceptable measures were passed by the Diet. Under the new land law the government is to purchase all tenant land owned by absentee landlords and all other landlord holdings above a certain number of acres for resale to tenants. Rural land commissions, representing landlords, tenants and others, are to determine the amount of land for sale and supervise the transfer of land to tenants. The tenants are to repay the government in thirty annual installments, and it is said that more than three-fourths of the land now in tenancy will be sold. There is a loophole in the right of the rural land commissions, which may be dominated by landlords, to allow an owner-operator to hold more than the normal maximum if he has a good farming record and is using the land efficiently. It is probable, however, that large numbers of tenants will benefit at least temporarily. Two other questions—probably incapable of solution by SCAP—will remain untouched by the land reform: how to prevent the tenants from falling into debt and losing their land, and how to reorganize a farm system whose minute plots are uneconomical.

In the realm of reparations no removals have yet been made from Japan, but some equipment will probably be taken out of the country in the near future. A major bottleneck has been the inability of the Far Eastern Commission members to agree on the status of machinery removed from Manchuria by the U.S.S.R. after the war's end. The Russians consider this "war booty" not chargeable to them as reparations from Japan, but the Commission as a whole appears to believe that all Japanese assets, within or outside Japan, should be accounted for in fixing reparations. The Russian issue, however, is only one part of the larger question of determining national shares of Japanese reparations—a question which has given rise to differing viewpoints in the Commission.

The first reparations proposals were drawn up in December 1945 by a Reparations Commission headed by Ambassador Edwin W. Pauley, and the Far Eastern Commission subsequently used this material in working on an interim program of removals. Under the interim arrangements Japan was to lose its arsenals, aircraft and light metal plants, its steel ingot capacity was to be reduced from 12 million to 3.5 million tons, and much of its capacity in pig iron, shipbuilding, machine tools, and various chemicals was to be removed. It was also understood that other removals beyond the interim program could later be made. Early in 1947 a second reparations mission under Clifford Strike made recommendations which were milder than those of the Pauley group. In April 1947 the United States announced that it would initiate interim removals from Japan, with the largest share of the first installment going to China and smaller portions to various territories in Southeast Asia.

The reparations question is of crucial importance in keeping Japan disarmed and in determining Japanese living standards, since the decisions in this field will fix the country's level of industry and greatly influence its import needs and ability to export. The main category of reparations is likely to be industrial equipment, for Japan's gold stocks and external assets are small, and the United States will probably be as opposed to reparations in cash or from current production as it has been in the case of Germany. Under the prevailing American policy of deficit financing of occupied countries, exports of goods as reparations might, in effect, be paid for by the American economy. According to present plans, as stated by the Far Eastern Commission in a policy decision of January 23, 1947, Japan will revert substantially to the standard of living of 1930-34. The Japanese economy, however, is to be altered to leave a far weaker industrial war potential than in 1931, when Japan seized Manchuria. Nevertheless, Japan will remain strong in comparison with most surrounding countries. While protection against the misuse of this power might be found temporarily in eco-

26. Lockwood, *op. cit.*, p. 58. See, also, "Japanese Agriculture," *The Economist*, February 2, 1946, p. 176; *Summation*, cited, October 1946, pp. 67-70; Harold Strauss, "MacArthur in the Paddy Fields," *The Nation* (New York), November 9, 1946; pp. 521-23; Stewart, *op. cit.*, pp. 27-30.

Although most Japanese landholdings are very small in American terms, the landlord group dominates the rural economy. In 1936 30.9 per cent of rural households consisted of independent owners, 27.1 per cent of tenants, and 42 per cent of part-tenants. Only 53.5 per cent of the total farm area was cultivated by owners. Interest rates and indebtedness were high, and the average tenant delivered more than half his crop to the landlord as rent. Rosinger, *op. cit.*, p. 151.

nomic controls, it could be guaranteed in the long run only by a peaceful Japanese society.[27]

In the future, as in the past, Japan will be extraordinarily dependent on exports—perhaps more so, because the rice, sugar and raw materials secured on unequal terms from former Japanese colonies, such as Korea and Formosa, will have to be purchased on an ordinary commercial basis. Japan's population, now roughly 76,000,000, will probably reach 80,000,000 by 1950. Moreover, with its heavy industries restricted through reparations and Allied controls, Japan will turn to light industry to a greater extent than before and will seek to sell its products in ever larger markets. In many fields, however, serious difficulties will exist, such as the competition of American nylon with Japanese silk, or the great decline in the number of Japan's textile spindles as a result of the war. At the same time, the more Japan drives for exports, the more it will have to import raw materials, such as cotton, for processing. It is obvious that the field of foreign trade presents two conflicting aspects: Japan's need for trade, and the danger of Japan's revival as a military power if it becomes strong economically. At present trade is at a low level and is conducted through Japanese and foreign governmental channels, but steps toward the restoration of private trade with Japan will probably be taken before long.[28]

INFLATION AND FOOD

Since the war's end Japan has experienced a growing inflation and black market. Both developments result from many factors, including low industrial production; an unbalanced budget and large national debt, accompanied by great expansion of the note issue; and weak governmental action on prices, hoarding, taxes and other essential economic phenomena. Linked with the shortcomings of Japanese government policy has been SCAP's inadequacy in handling economic issues. Japanese industry emerged from the war in better condition than the large-scale fire-raid destruction in some of the leading cities might suggest. But industrial reconstruction has been impeded by the confusion arising from wartime dislocations and defeat, the inflation, shortages of coal and raw materials, lack of shipping for inter-island transportation as a result of war losses, and the "go-slow" tactics of Japanese industrialists and officials. The delay in handling reparations has also been a factor causing uncertainty.

27. Lockwood, *op. cit.*, pp. 47-53; mimeographed press release of the Far Eastern Commission (Washington, D.C.), April 17, 1947; Stewart, *op. cit.*, pp. 7-10.

28. G. C. A., "Japan's Economy in Transition," *The World Today* (London), October 1946, pp. 460-61.

Under these conditions the Yoshida cabinet has shown much more interest in controlling wages than prices and has not yet applied a tax plan drawn up well over a year ago for the purpose of draining off war profits. In March 1946 stringent currency controls were introduced, with a temporarily chastening effect on inflation, but the increase in yen notes and prices continued. It is difficult to escape the feeling that the Japanese government has followed a conscious do-little policy, blaming conditions on occupation costs—admittedly high—and other circumstances beyond Japanese control. The object seems to be to persuade the United States to solve Japan's growing economic problems through various forms of assistance, including food imports, and to induce American leniency in such matters as reparations.

In this connection, the food question is particularly enlightening. Faced by a bad 1945 rice crop and predictions of widespread starvation in 1946, SCAP asked for large food imports, to prevent "disease and unrest." But in fact, although SCAP received far less than its own minimum estimate of required food imports during the critical seven months, January-July 1946, the predicted starvation did not occur, and there were no food riots.[29] Examination of Japan's food difficulties indicates large-scale food hoarding by farmers. At the same time there have been serious fertilizer shortages, while fishing has been hampered by lack of equipment and fuel.

Japan's growing economic problems were noted with concern by General MacArthur when he declared on March 17, 1947 that the military phase of the occupation had been completed, that the political phase "is approaching such completion as is possible under occupation," and that occupation cannot settle the economic phase, but "can only enforce economic strangulation." Advocating an early peace treaty for Japan, he stressed the need for allowing Japan to carry on foreign trade. On March 22 he sent a letter to Premier Yoshida, warning that the Japanese government must take vigorous economic measures and that outside aid would be contingent on full use of Japan's own resources. As a result of this pressure, food collections by the Yoshida regime increased.

One of the most striking economic developments under the occupation has been the rise of the Japanese labor movement. The highest pre-war union membership was 420,000 in 1936, compared with

29. The Far Eastern Commission on April 25, 1946 issued a food policy statement declaring that Japan should not receive a food priority over any Allied or liberated peoples except to the extent that imports were immediately essential for the safety of the occupation forces.

tion of the intricate issues at stake. If we can learn that there are no ready-made solutions for any problems, that the mere signing of relief checks does not produce goods sorely needed abroad, and that the world is not simply divided into two rival camps of American free enterprise and Russian communism, but is rife with all kinds of ideas and systems, all of which have to be in some way adjusted and compromised if another world war is to be avoided, we shall have taken the first step toward formulation of a wiser foreign policy.

VERA MICHELES DEAN

WILL SECURITY COUNCIL ACT ON REPORT OF BALKAN COMMISSION?

After a four-month study of the charge made by Greece that Yugoslavia, Bulgaria and Albania were aiding guerrillas against the Athens government, the United Nations Balkan Investigating Commission adopted a report in Geneva on May 23 which commands particular attention. In the first place, it embodies the findings and recommendations of the only on-the-spot investigation which the United Nations has as yet authorized in connection with a situation which might endanger the maintenance of peace. As such, the statement of the Commission furnishes the first indication of the degree of candor and realism which may be expected from a fact-finding body established by the Security Council. Secondly, the report, which was completed just one day after President Truman signed the bill providing $400,000,000 worth of American military and civilian assistance to Greece and Turkey, contains conclusions and recommendations which are of special significance to the United States as it launches its new policy in the Eastern Mediterranean.

STERN INDICTMENT OF THREE STATES. In a conclusion proposed by the United States and approved by eight members of the Commission—with France abstaining and Russia and Poland in opposition—the report found Yugoslavia, Albania and Bulgaria guilty of having supported the Communist-led guerrillas in northern Greece. However, in spite of this indictment of the three Slav states, the report acknowledged the existence within Greece itself of a number of causes for the present civil war. In a dispassionate account of the complex background of the Greek situation, the majority group pointed out the difficulties which have arisen from the Greeks' own past, their tragic experiences during World War II, the guerrilla warfare waged during the occupation, and the political bitterness and economic catastrophe to which this struggle gave rise. Moreover, the Commission, by observing that "most of the countries concerned" not only refuse to accept their present boundaries as final, but permit refugees to engage in political and military activity against their former government, suggested that Greece shares responsibility for the unrest existing along its northern borders.

PREVENTIVE MEASURES STRESSED. In accord with its efforts to give a balanced picture of the forces responsible for the guerrilla warfare in Greece, the Commission adopted a body of recommendations emphasizing measures for the prevention of future offenses on the part of Yugoslavia, Bulgaria and Albania rather than the punishment of these states for past actions. These suggestions, which were endorsed by all the members of the Commission except Russia and Poland, call, first of all, for an appeal by the Security Council to all four Balkan governments to "refrain from any support, overt or covert, of elements in neighboring countries aiming at the overthrow of the lawful governments of those countries." If such appeals prove of no avail, the Commission stated that, in its opinion, "future support of armed bands formed on the territory of one state and crossing into the territory of another" should be considered by the Security Council "as a threat to peace" and dealt with by means of diplomatic pressure, economic sanctions or even the use of international armed force.

Realizing the importance of avoiding a future crisis requiring drastic action of this kind, the Commission offered several concrete proposals for easing the tension along the Greek frontier. One recommendation provides for the conclusion of frontier conventions by Greece and its neighbors. However, it is difficult to see how a series of traditional diplomatic agreements of this kind could be effective until better relations prevail among the countries concerned. The Commission accordingly proposed that the Security Council should attempt to establish normal conditions along the Greek border by creating a neutral frontier commission which would be in existence for a period of at least two years and would be charged with assisting in the settlement of any frontier violations that might occur. Moreover, in order to remove two main sources of frontier disturbances, the Commission suggested that the political refugees on either side of Greece's northern boundary should be removed to camps supervised by an international authority pending repatriation, and that arrangements for the voluntary transfer of minorities should be given careful study. Finally, the Commission hoped to encourage Greek political refugees who have fled abroad or joined the guerrilla forces to return to their homes, but it feared that the proposal of an amnesty might constitute undue intervention in the internal affairs of Greece. After a long struggle with this problem, the investigatory body finally made the cautious suggestion that the Greek government, in the event that it decided

to grant a new amnesty t_ il opponents, might secure the good offices of the Security Council in supervising the measure.

WILL SUGGESTIONS BE IMPLEMENTED? Taken as a whole the recommendations set forth by the Balkan Commission form a thoughtfully compounded prescription for the restoration of good relations between Greece, on the one hand, and Yugoslavia, Albania and Bulgaria, on the other. The blunt warning given the three Slavic states to desist from further interference in Greek affairs, in conjunction with the establishment of a neutral frontier commission empowered to investigate alleged border violations, should quickly reduce the number of incidents which have caused so much fear and distrust between Greece and its neighbors. Moreover, the schemes proposed by the Commission for the resettlement of dissatisfied national groups and the repatriation of political refugees might be expected to help remove some of the deeply rooted causes of friction in the Balkans.

Yet, however coherent and appropriate the suggestions worked out by the majority of the Balkan Commission may appear, it seems highly unlikely that they will all be put into operation. For Russia and Poland, who refused to accept the Commission's recommendations, can hardly be expected to drop their objections when the proposals are laid before the Security Council, and on this occasion the Soviet Union's opposition will be sufficient to block further action. This does not mean that Russia will oppose all sections of the Commission's report. Nevertheless, in view of the determined effort which Andrei A. Gromyko, the Soviet representative at Lake Success, made on May 22 to abolish the interim Balkan sub-commission in Salonika lest it develop into a permanent body, there is little reason to believe that Russia will accept the plan for long-term supervision of the Greek frontier by a neutral commission. Neither does it seem likely that the U.S.S.R. will permit the Security Council to issue a stern warning to Yugoslavia, Albania and Bulgaria to refrain from giving furth ...istance to the Greek guerrillas.

In view of the probable inability of the Security Council to agree upon an integrated plan for resolving the crisis along the Greek frontier, the tasks which the United States faces as it inaugurates its new policy in Greece may become all the heavier. Ever since this policy was formulated by President Truman on March 12, the Administration has distinguished between the external threats to Greece, which it relied upon the United Nations to handle, and the internal dangers arising from local Communist pressure, which it hoped to reduce by the skillful use of American military and economic aid. It appears, therefore, that if the Security Council should fail to devise a scheme for removing the threat to Greece from its northern neighbors, the United States may find itself obliged to cope with an even more difficult and dangerous problem than it originally intended to undertake.

WINIFRED N. HADSEL

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This analysis of the explosive situation in Greece merits a special citation on many counts. It is objective, timely and thoroughly well-informed on the broad international issues as well as the local problems which are involved in the present Greek crisis.

Our Vichy Gamble, by William L. Langer. New York, Knopf, 1947. $3.75

Professor Langer presents a wealth of new evidence on the reasons for our war-time recognition of the Vichy government in France, a policy which he approves because it enabled us to obtain valuable information, and facilitated our invasion of North Africa.

The Republic of Silence, compiled and edited by A. J. Liebling. New York, Harcourt, Brace, 1946. $4.00

The courageous story of the French Resistance movement revealed in selections from its own writers, accompanied by Liebling's incisive commentary.

Of True Experience, by Sir Gerald Campbell. New York, Dodd, Mead, 1947. $3.50

These pages are filled with reminiscences from a long and colorful career in the British Consular service. Sir Gerald Campbell has served the United Kingdom, among other places, in the Belgian Congo, Italy, Canada and the United States where he has been known as "the best loved Britisher in America." The book's charm, wit and insight make interesting and pleasant reading.

Public Investment and Full Employment, by International Labor Office, Montreal, 1946. $2.25

This book is based on the thesis that public works programs may be used effectively to counteract cyclical depression and maintain a high level of employment. The authors give a detailed analysis of the obstacles to be met and how they may be overcome. A valuable survey of plans thus far developed in many countries for public investment projects is included.

FOREIGN POLICY BULLETIN. Vol. XXVI, No. 33, MAY 30, 1947. Published weekly by the Foreign Policy Association, Incorporated. National Headquarters, 22 East 38th Street, New York 16, N. Y. BROOKS EMENY, *President;* HELEN M. DAGGETT, *Secretary;* VERA MICHELES DEAN, *Editor.* Entered as second-class matter December 2, 1921, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Four Dollars a Year. Please allow at least one month for change of address on membership publications.

F. P. A. Membership (which includes the Bulletin), Six Dollars a Year

Produced under union conditions and composed and printed by union labor.

October 20, 1947

FOREIGN POLICY ASSOCIATION

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James G. McDonald, Honorary Chairman
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The history of this organization reflects that it has been openly pacifist, opposing compulsory military training, and in 1936 sponsoring the National Peace Conference in New York, of which some twenty other affiliated pacifist organizations were represented. It has been alleged that this organization was one of several which received substantial contributions from Amtorg Trading Company, (the official agency for purchase in the United States for supplies of the Soviet Union) in amounts from $2,000 to $5,000 during the fiscal year ending June 30, 1937.

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There is attached to instant memorandum for your further information concerning this Association a pamphlet entitled "Twenty-Five Years of the Foreign Policy Association, 1918-1943."

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b7C

The Commissioner
Immigration and Naturalization Service

October 20, 1947

J. Edgar Hoover, Director, Federal Bureau of Investigation

[redacted] Vineland, New Jersey

Your File A-3882581

61-7802-24

Reference is made to your memorandum dated October 7, 1947 in which you request information regarding [redacted] and the "Foreign Policy Bulletin."

The files of the Bureau contain no information concerning [redacted]

The "Foreign Policy Bulletin" is published weekly by the Foreign Policy Association. On May 15, 1944, a memorandum on the Foreign Policy Association was furnished to you in connection with the case of Max Strauss, Your File #561-84/546-2270-P-466530.

There is attached herewith a more current memorandum concerning the "Foreign Policy Bulletin," its publisher, the Foreign Policy Association and Mrs. Vera Micheles Dean, Editor of the "Foreign Policy Bulletin," "Foreign Policy Reports" and Director of all Foreign Policy Association publications.

Attachments

JWPEEHW

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13

October 20, 1947

FOREIGN POLICY BULLETIN — Summary

The masthead of the "Foreign Policy Bulletin" for September 12, 1947 reflects that it is published weekly by the Foreign Policy Association, Incorporated. The National Headquarters of this organization is located at 22 East 38th Street, New York 16, New York. Brooks Emeny is listed as President; Helen M. Daggett as Secretary; and Vera Micheles Dean as Editor.

The files of this Bureau reflect no information concerning the editorial policy or the ideological pattern of the "Foreign Policy Bulletin."

For your information, and as an aid to your evaluation of instant publication, there are attached to instant memorandum original copies of the publication for June 6; August 1; and September 12, 1947 and photostatic copies for August 9, 30; September 27; November 15, 1946 and January 10 and 31, 1947.

Attachments

JWP:EHW

Mr. Tolson
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Mr. Clegg
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1

October 20, 1947

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Paul U. Kellogg		

(61-7559-2-5877)

A reliable confidential source furnished the following information. This information has not been confirmed.

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ENCLOSURE

The history of this organization reflects that it has been openly pacifist, opposing compulsory military training, and in 1936 sponsoring the National Peace Conference in New York, of which some twenty other affiliated pacifist organizations were represented. It has been alleged that this organization was one of several which received substantial contributions from Amtorg Trading Company, (the official agency for purchase in the United States for supplies of the Soviet Union) in amounts from $2,000 to $5,000 during the fiscal year ending June 30, 1937. (40-27755-6, Report of MID, War Dept. 7-10-42).

Another reliable source advised that the Foreign Policy Association received funds of an unspecified amount from the Amtorg Trading Corporation during the year of 1937. (61-5381-528, p 6, S3, who is [redacted] Active Informant of the [redacted])

The Foreign Policy Association's program and its annual meeting for December, 1941, was announced in the pages of the "Daily Worker." (40-27755-6, reported by MID, War Dept. 7-10-42).

A reliable source in August of 1941 advised that the Foreign Policy Association was one of the outstanding organizations in the United States to promote better American understanding internationally. (65-3251-123, p 4)

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An article in the Philadelphia Inquirer for February 9, 1947 reflected that the Russian General Victor A. Yakhontoff appeared as the principal speaker at a meeting of the Foreign Policy Association which was held in connection with a luncheon at the Bellevue Stratford Hotel in Philadelphia on February 8, 1947. The article stated that the General had been conducting courses at the New School for Social Research since 1944. (61-6211-603, p 21)

There is attached to instant memorandum for your further information concerning this Association a pamphlet entitled "Twenty-Five Years of the Foreign Policy Association, 1918-1943."

VERA MICHELES DEAN

Vera Micheles Dean was born in St. Petersburg, Russia on March 29, 1903. She was educated privately until she came to the United States in 1919 and went to Radcliffe College. Mrs. Dean received her A.B. Degree from Radcliffe in 1925, an M.A. Degree from Yale in 1926, and her Ph.D. from Radcliffe in 1928. In that same year she became an American citizen. Upon receipt of her doctorate, Mrs. Dean joined the Foreign Policy Association as a Research Associate. In 1933 she became Editor and in 1938 a Research Editor. On September 1, 1946, Mrs. Dean was named Director of Publications of this Association which placed its three publications, "Foreign Policy Bulletin," Foreign Policy Reports," and "Headline Books" under her direction. (Foreign Policy Bulletin dated 9-27-46, also Current Biography for 1943).

In connection with her work for the Foreign Policy Association, Mrs. Dean has traveled in Russia and in most of the European countries. She is a lecturer and has contributed numerous articles to such publications as "The Nation," "New Republic," "Current History," and "Yale Review." She has published two books: "New Governments in Europe" and "Europe in Retreat."

In 1942 after Russia entered the war on the Allied side and proved her the strongest military power fighting Fascism, Mrs. Dean warned, "Those who do not like the Russian system will not be able to conjure it away by more denunciation or by witch-hunting of local Communists....." When in May, 1943 the Soviet Union announced the dissolution of the Comintern (the Third International), Mrs. Dean hailed the act as making Russia free to pursue its national objectives, untrammeled by obligations however theoretical to Communist groups outside its borders.

In her article "The U.S.S.R. and Post War Europe," published in "Foreign Policy Reports" August 15, 1943, Mrs. Dean pointed out that Russian foreign policy had not been imperialistic but protective and stated, "In the future, the Soviet Government may be expected to use all means at its command to assure the security of Russia, and to give its support to those regimes emerging from Europe's chaos which show themselves genuinely sympathetic to Russia or at least genuinely opposed to German Nazism." (Current Biography for 1943)

A reliable confidential source has furnished the following information. This information has not been confirmed.

Vera Micheles Dean was an advisor of the alleged Communist Party sponsored American Pushkin Committee. In 1943 she was reported to be connected with the American-Soviet Friendship Group. In February, 1946, she was reported, as Research Director of the Foreign Policy Association, to have conducted a course for Barnard College students on "The Soviet Union." (100-7660-4326, Weekly Intelligence Summary, G-2, War Dept.)

According to the House of Representatives' Investigation of Un-American Propaganda Activities, the report for which was published in 1944, Mrs. Dean is listed as one of several individuals who sent greetings to the Soviet Union on the Twentieth Anniversary of the Founding of the USSR. (61-7582-1298, p 771)

The greetings referred to above were contained in the "Golden Book of American Friendship," presented to the President of the Soviet Union in 1937. One page of this book was republished in the November, 1937 issue of "Soviet Russia Today." Among the names carried in this publication was that of "Vera Micheles Dean." (Soviet Russia Today" November 1937, p 79)

In the articles of Incorporation filed for the American Russian Institute in New York State on April 9, 1936, Mrs. Dean was listed as a Director of the organization. (61-6211-176, p 8)

A pamphlet prepared in February of 1942 for the United States Army by Mrs. Dean entitled "Russia at War," praised Russia unstintingly, and compared its ideals with those of Christianity. The author cited discrimination against Negroes in the United States as a detriment to freedom of opportunity, which detriment was not present in Soviet Russia. A reliable source has advised that the United States Army refused to circulate this publication among the troops and described it as a type of candy-coated Communist propaganda pill. (40-27755-6, Report of MID, War Dept.)

According to the Richmond, Virginia Times Dispatch of April 10, 1945, Mrs. Dean addressed 300 people at the Richmond Public Forum on the preceding evening. Her subject was "Russia Today," and she stated that Russia's immediate objective was the defeat of Germany. Mrs. Dean added that there was no need for war between the United States and Russia. (100-3-49-163, p 16)

Attachment

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STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

A-3882581 - Inf.

DATE: October 7, 1947

TO : J. Edgar Hoover, Director
Federal Bureau of Investigation, Washington, D. C.

FROM : T. B. Shoemaker, Acting Commissioner
Immigration & Naturalization Service

SUBJECT: A-3882581; [redacted] Vineland, New Jersey

The above-named subject, who was born on [redacted] in [redacted] and arrived in the United States on [redacted] is a petitioner for naturalization. In connection with her petition she stated that she subscribes to the "Foreign Policy Bulletin" which is published in New York.

Foreign Policy Association 4552.

It would be appreciated if your Bureau would furnish to this Service all information it may have concerning the petitioner and the aforementioned publication.

RECORDED
INDEXED
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(Miss Michaels Desk)

October 20, 1947

FOREIGN POLICY BULLETIN — File

The masthead of the "Foreign Policy Bulletin" for September 12, 1947 reflects that it is published weekly by the Foreign Policy Association, Incorporated. The National Headquarters of this organization is located at 22 East 38th Street, New York 16, New York. Brooks Emeny is listed as President; Helen H. Taggett as Secretary; and Vera Micheles Dean as Editor.

The files of this Bureau reflect no information concerning the editorial policy or the ideological pattern of the "Foreign Policy Bulletin."

For your information, and as an aid to your evaluation of instant publication, there are attached to instant memorandum original copies of the publication for June 6; August 1; and September 12, 1947 and photostatic copies for August 9, 30; September 27; November 15, 1946 and January 10 and 31, 1947.

Attachments

RECORDED & INDEXED 61-7802-25

EX-27

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ENCLOSURE [redacted] 61-7882-25X

Germany - Int. Sec. - R
Germany - Sec. Mat. - F
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France - Pol.
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FOREIGN POLICY REPORTS

November 1, 1947

American Policy Toward Germany

BY JAMES K. POLLOCK and EDWARD S. MASON

RECORDED
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FEB 15 1948
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VOLUME XXIII NUMBER 16 25¢ *a copy* $5.00 *a year*

American Policy Toward Germany

In preparation for the meeting of the Big Four Council of Foreign Ministers on Germany, scheduled for November 25 in London, the Foreign Policy Association has invited two distinguished experts on German affairs—Professor James K. Pollock and Professor Edward S. Mason—to analyze the main aspects of American policy toward Germany.

The POLITICAL Situation

BY JAMES K. POLLOCK, Professor of Political Science and Chairman of the Division of the Social Sciences, University of Michigan. In 1945-46, and again in 1947, Professor Pollock served as Adviser on Governmental Affairs to General Lucius D. Clay, Military Governor of the American zone in Germany, where he was instrumental in setting up the *Laenderrat*, or Council of States. He is now serving as a member of the Commission on the Organization of the Executive Branch.

TWO and a half years have passed since the mighty German war machine was brought to its ignominious end by the combined forces of the Allies. Never before in modern times, if ever before in history, has a nation been so thoroughly crushed as was Germany. The disintegration of the Nazi state left the country without leadership. Although Hitler endeavored to pass on to his shadow, Admiral Doenitz, full powers to represent the German nation, so complete and shattering was the collapse of the Nazi machine that it fell to the lot of the surviving military leaders of the Reich to sign the terms of surrender.[1]

When the final terms were signed by Field Marshal Keitel in Germany's destroyed capital, the country was left in the worst condition it had ever known since the Thirty Years' War. In contrast to the end of World War I, when the Allies did not attempt to occupy all of Germany, in May 1945 Germany was prostrate and helpless for everyone to see; its countryside was devastated, its principal cities were in ruins, and every part of its territory was occupied by the victorious troops of the Allies. It is difficult to imagine how a modern nation could have been more condignly punished; and if it is true, as many thought, that what one does not achieve at the moment of victory one is not likely to secure later, then the work performed by our armies left little to be desired.

1. *The Axis in Defeat*, Department of State Publication 2423, 1945.

Unfortunately, however, there are difficulties and disadvantages as well as satisfaction and security in assuming responsibility for a helpless and defeated people. Millions of displaced persons who had been released from bondage by the advancing armies had to be cared for. Transport and communication had to be restored, disease prevented, and order maintained. The Allies had captured over 7,000,000 members of the Reichswehr, and thousands of leading Nazi officials. Proper disposition had to be made of them and of their arms and equipment. Looking back on the first month after the end of hostilities, it seems almost impossible to believe that order could have been so promptly brought out of this incomparable chaos.[2]

PROBLEMS OF ALLIED OCCUPATION

The German people, although stunned and battered, came through the war very well. About 4,000,000 German soldiers and civilians had been killed during the war, but Europe had been forced to put at the disposal of the conquering Germans vast quantities of food and supplies of all sorts. These accumulations proved to be indispensable during the first year of the occupation. After food, housing was the greatest problem. In Germany before the war there were approximately 19,000,000

2. See Harold Zink, *American Military Government in Germany* (New York, Macmillan, 1947) for a complete, over-all evaluation of the accomplishments of American Military Government; also W. N. Hadsel, "Allied Military Rule in Germany," *Foreign Policy Reports*, November 1, 1945.

FOREIGN POLICY REPORTS, VOLUME XXIII, NUMBER 16, NOVEMBER 1, 1947

Published twice a month by the FOREIGN POLICY ASSOCIATION, Incorporated, 22 East 38th Street, New York 16, N. Y., U.S.A. BROOKS EMENY, *President;* VERA MICHELES DEAN, *Editor and Research Director;* BLAIR BOLLES, *Director, Washington Bureau;* AUGUSTA SHEMIN, *Assistant Editor. Research Associates:* WINIFRED N. HADSEL, OLIVE HOLMES, HAROLD H. HUTCHESON, VERNON MC KAY, GRANT S. MC CLELLAN; HELEN H. MOORHEAD, LAWRENCE K. ROSINGER. SARAH MATTHEWS, *Librarian;* ONA K. D. RINGWOOD, *Reference Librarian.* Subscription Rates: $5.00 a year; to F.P.A. members $4.00; single copies 25 cents. Entered as second-class matter on March 31, 1921, at the post office at New York, N. Y., under the Act of March 3, 1879.

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CENTRAL SECURITY
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dwellings. Of this number 2,900,000 were destroyed and 4,400,000 were damaged. In three states of the American zone—Bavaria, Württemberg, and Baden—there were about 3,000,000 dwellings before the war—just about the same number as have been destroyed in all of Germany. To put it another way, statistics show that in the years from 1918 to 1937 4,000,000 dwellings were built in Germany—about the same number as have been damaged and not yet repaired. Altogether, of every hundred dwellings, fifteen were destroyed, twenty-three were damaged, and sixty-two were either untouched or not seriously impaired. In Hessen alone, 54,225 dwellings were lost, of which 14,654 were in the city of Kassel. As a result of Nazi destruction of bridges plus the ravages of war, rail and road networks were badly disorganized. But perhaps above everything, the quartering on the population of millions of Allied soldiers, some of whom (the French and the Russians) lived off the land, forced the Germans to begin to appreciate the enormity of their crimes and to realize their obligations.

The occupation of Germany by the armies of Britain, France, the Soviet Union and the United States took place according to plans which had been made at the Quebec and Yalta conferences and in the European Advisory Commission.[3] The decisions of the Potsdam conference, reached after the war had ended, added other complications to the already difficult situation. First of all, according to the decisions of the four powers, Germany was to be partitioned (at least temporarily) and then divided into four occupation zones. All the territory east of the Oder-Neisse line was to be administered by Poland or the Soviet Union. The remaining territory, which has come to be called "Rump Germany," was divided into four curiously constituted zones of occupation with each of the major powers assigned to a zone. Berlin was agreed upon as the administrative center of the occupation, although it was located in the middle of the Soviet zone and the Berlin headquarters of the other powers were thus physically separated from their respective zones. Only one concerned with the day to day problems of the occupation can comprehend what these physical arrangements meant to the three Western powers. Early in July 1945 Berlin was divided into four sectors, and special arrangements for the joint administration of the whole metropolitan area were put into effect by the *Kommandatura*, the inter-Allied control board consisting of the Berlin commanders of the four occupying powers.[4]

Poland proceeded to expel the German inhabitants from the territories brought under its administration and to incorporate parts of these territories, and eventually all of them, into the Polish state.[5] The Soviet Union incorporated the northern part of the former province of East Prussia into the R.S.F.S.R. under the name of Kaliningrad province.[6] France at first developed special administrative arrangements for the Saar, and then later incorporated a somewhat enlarged Saar territory into France.[7] Germany today, therefore, includes only territories west of the Oder-Neisse line excluding the Saar. Into this truncated and devastated area, according to another Potsdam provision, have been moved more than 10,000,000 so-called *Volksdeutsche* expelled from Poland, the Sudetenland and Hungary.[8] Thus with about a quarter of its most productive agricultural land under Polish administration, "Rump Germany" was faced with the problem of trying to feed and house and care for more than 66,000,000 people including the millions of expellees and evacuees who had been pushed back into the four occupation zones. When the Allied Control Council was prevented from treating Germany as an economic unit, first by the opposition of France and more recently, also, of the Soviet Union, the respective zones were left to their own resources or to those of the occupying powers in order to provide for their overcrowded populations. The United States and Britain have been forced to pour out hundreds of millions of dollars each year to keep the Germans in their zones alive.[9]

3. J. K. Pollock and Others, *Change and Crisis in European Government* (New York, Rinehart, 1947), ch. IV; also James P. Warburg, *Germany—Bridge or Battleground* (New York, Harcourt, Brace, 1947).

4. Anne Whyte, "Quadripartite Rule in Berlin," *International Affairs*, January 1947, pp. 30-42, is a good discussion of the subject.

5. See Sidney B. Fay, "Europe's Expellees," *Current History*, April 1947, pp. 321-28. The former German territories east of the Oder-Neisse line have been incorporated into the Polish administrative system and renamed. *Die Neue Zeitung*, 23 Juni 1947.

6. See John Hazard, "Constitutional Problems in the U.S.S.R." in Pollock and Others, *op. cit.*, ch. I, p. 10.

7. By an order dated June 6 the French Military Governor modified the boundaries of the Saar territory to include districts in the northeast and east which contained lateral railways serving the Saar industries. Elections to a legislative assembly for the Saar were held on October 5, 1947. The question whether the Saar is to be incorporated politically as well as economically into France has not yet been finally settled.

8. The expellee figure of 6,650,000 set by the Allied Control Authority in November 1945 has been substantially exceeded since the Polish government expelled the largest part of the German population from the areas east of the Oder-Neisse line. The problem of caring for the millions of DP's was handled chiefly by the occupying armies, UNRRA, and other international organizations. In the American zone 3,000,000 DP's have been repatriated since the end of the war, but on June 30, 1947 there were still 535,580 DP's in the American zone.

9. The figure for the United States is $350,000,000, to which should be added the costs of occupation.

ALLIED CONTROL AUTHORITY

Under the Machinery of Control Agreement for Germany, signed on June 5, 1945 by the four powers, each Commander in Chief became supreme in his own zone, and the four together constituted the Control Council, which under instructions from their respective governments was to be the supreme authority in matters affecting Germany as a whole.[10] Decisions of the Council had to be unanimous, but the Council was to "ensure appropriate uniformity of action by the Commander in Chief in their respective zones of occupation and will reach agreed decisions on the chief questions affecting Germany as a whole." An elaborate international organization was developed in Berlin to perform the work of the Control Council, consisting of the Coordinating Committee (the work horse of the Council), ten directorates in as many functional fields with numerous committees and subcommittees, and a Secretariat. Decisions by the Control Council and the Coordinating Committee are published and are transmitted to the four zone commanders for enforcement.[11]

In the two years of its operation the Allied Control Authority has developed into an efficient administrative organization for the presentation and discussion of the policies of the four powers in all matters affecting Germany as a whole. It has also given valuable experience to hundreds of Allied experts in many fields in the negotiation of complicated and important draft proposals. But the Control Council has not distinguished itself as an organ for deciding the critical problems which crowded in upon it from week to week. As former Secretary of State Byrnes stated in his Stuttgart speech of September 6, 1946: "So far as many vital questions are concerned, the Control Council is neither governing Germany nor allowing Germany to govern itself."[12]

In the ensuing year, deadlocks continued, reflecting disagreements at the highest level between the four governments, and what promised to become a useful and constructive organ of international government degenerated into time-consuming conferences, pleasant buffet sessions, and frustrating delays. It was not that Germany could not be governed by an international control council; it was rather that the four powers could not come to basic agreements as to what they wanted to do with Germany. Decisions of a negative nature dealing with disarmament and demilitarization were made and carried out. But the measures necessary to restore the shattered economy, to increase the production of food and consumer goods, and to put the Germans in a position where they could help themselves, could be formulated but not agreed to in the Control Council. Hence the German, and with it the European, economic, social, and political situation grew steadily worse. Equally dangerous were the bitter disagreements among the occupying powers—and embarrassing, too, because it was not an edifying spectacle for the Germans to observe their conquerors battling openly in their midst.

DIFFERENCES BETWEEN ALLIES

The lack of international agreement on the larger questions affecting Germany as a whole forced the various occupying powers to make the most of a bad situation and to go forward as satisfactorily as possible, with such means and resources as were at their disposal in their own zones, or that they could command elsewhere. The Russians and the French not only lived off the land, but also requisitioned for their own use supplies and materials sorely needed in the remaining portions of Germany. Britain and the United States took nothing from the German economy aside from agreed reparations, and in addition to caring for their own forces, delivered to their respective zones large quantities of food and other necessary materials aggregating $350,000,000 a year for each country. The partition of Germany east of the Oder-Neisse, the division of the remainder of the country into zones, and finally the failure of the powers to treat Germany as an economic unit, not only perpetuated but actually intensified the economic and political chaos into which Germany was plunged by the defeat. Even worse from the American and British points of view was the fact that, while the Soviet Union and France benefited from the occupation, their gains really were due in large part to huge American and British subsidies to their respective zones in Germany. For if the goods taken by the Russians and the French for their own uses had been made available for the German economy, American and British subsidies could have been much smaller.

In administering their respective zones, the four powers interpreted or applied the Potsdam provisions, or ignored them, as they saw fit. The policies of the four governments could be carried out without let or hindrance. Much depended upon

10. The essential documents are conveniently available in J. K. Pollock and J. H. Meisel, *Germany Under Occupation* (Ann Arbor, Wahr, 1947).

11. See Pollock and Others, *op. cit.*, chs. III and IV. The enactments of the Control Council are published currently in the *Official Gazette of the Control Council of Germany.* In the American zone official, unrestricted orders are published in *Military Government Gazette Germany, U.S. Zone.*

12. Department of State *Bulletin,* September 15, 1946.

their respective military government staffs and organization, upon the leadership, and upon the pressure of conditions in the various zones.[13] All of these differed from power to power and zone to zone, and in due course affairs in Germany began to go in several different directions. In the American and British zones, with a differing tempo and with some fundamental differences in principle and emphasis, German political life was reconstructed on a democratic basis as the Potsdam Declaration prescribed.[14] In the Russian zone, emphasis was placed on securing reparations, on the development of and the control by the SED, (*Sozialistische Einheitspartei Deutschland*), a forced merger of the Communist and Social Democratic parties, on radical agrarian and industrial reforms designed to alter the social and political structure of the zone, and on tight military and police supervision by the Soviet Military Administration. In the French zone, aside from rigid economic controls and a vigorous "cultural" propaganda, the Germans were left largely to their own devices until pressures and developments in the other zones forced several measures looking toward democratization.[15]

ATTITUDE OF GERMANS

To all this political confusion and diversity, the Germans in the various zones reacted quite normally. As a strongly disciplined people, they continued to follow the orders they were given. They adjusted to the occupying power, whichever it was. There has been little disorder; and underground activity, although in existence, has been unimportant. In general, there has been no security problem, and the occupying powers have been bothered more with their own border and other restrictions than with the opposition or hostility of the Germans. Actually, German officials as well as the German population have cooperated surprisingly well, especially in the American zone, even with unpopular measures like denazification, land reform, and reparations. Food riots have occurred in the British zone, and there has been some industrial sabotage in the Soviet zone. Bitter feeling also exists in parts of the French zone against French policies and officials—undoubtedly also, to a certain extent, in the other zones, but there it is not as significant. On the whole, however, the four powers have been remarkably fortunate up to now in receiving willing and capable assistance from the Germans. It is therefore the policies of some of the occupying powers that must be held responsible for bringing Germany, and with it most of Europe, to the present unhappy condition.

Two events during the occupation throw some light on the attitude of the Germans toward their conquerors and their present plight.[16] One was the election of the city council in Berlin on October 20, 1946; and the other was the recent conference of the Minister Presidents of the four zones in Munich on June 6 and 7, 1947. In the Berlin election in all sectors of the city, the Social Democratic party, which is banned in the Soviet zone, led all the other parties. Even in the Soviet sector of the city, the Social Democrats secured 43.8 per cent of the total vote, while the Soviet-sponsored SED was a poor second with 29.8 per cent of the total vote.[17] In the Munich conference of the Minister Presidents of all four zones, the representatives from the French zone were in attendance only because they promised not to discuss political questions, while the German officials from the Soviet zone withdrew from the conference when political items, which the Soviet Military Administration wanted to have discussed, were not put on the agenda. Only the German officials from the American and British zones were free agents, having been trained in the democratic process in their two zones, while the German officials from the other two zones were complaisant or willing tools of their foreign masters, however much in their hearts or in private discussion they desired to support a common program for the relief of Germany's economic plight. Thus in German conferences as well as in those of the Allies, there is lack of agreement. Restricted by the artificial barriers which man himself has erected, normal recovery is inhibited.

ADMINISTRATIVE MACHINERY REBUILT

In some ways a very remarkable reconstruction

13. The original American directive known as JCS 1067 was superseded on July 11, 1947 by a new policy directive to be found in *ibid.*, July 27, 1947, pp. 186-93.

14. See *Occupation of Germany, Policy and Progress,* Department of State Publication 2783, European Series 2783.

15. New constitutions have recently been promulgated in South Baden, South Wuerttemberg, and in the Rhein-Pfalz. On June 6, 1947, Gen. Koenig, the French Military Governor, issued Ordinance No. 95 dealing with the powers of the *Laender* in the French zone. For a discussion of the new Rhein-Pfalz constitution see *Deutsche Rechts-Zeitschrift,* 2 Jahrgang, Heft 8, 245-49.

16. Much of the feature writing on German attitudes reflects the prejudices of the writers. With Germany divided into four zones, the conditions and attitudes of Germans in the various zones are entirely different, and no one has been able to present even a close approximation to what could be called a composite or dominant German opinion toward anything except food, shelter, and clothing.

17. *Weekly Information Bulletin,* October 28, 1946, p. 14, November 11, 1946, p. 4; "Statistics of Elections in Germany, 1946," *Special Report of the Military Governor, U.S. Zone,* March 15, 1947.

of German administrative machinery has taken place in all zones.[18] Led by the American zone, all other zones have now gone through a similar cycle of popular elections, and self-governing institutions have been developed, subject always to the overriding authority of the occupying powers.[19] Elected local and state officials have now been selected and installed in office under appropriate local government codes and state constitutions; German administrative machinery and staffs have been created and activated to meet the new and extraordinary requirements of the occupation such as denazification, restitution of property, expellee and evacuee problems; and even new government organs, heretofore unknown either to the Germans or their rulers, were developed to permit the zones to function properly in certain fields requiring uniformity of action. Thus the *Laenderrat* in the American zone, its rather anaemic counterpart in the British zone, the *Zonenbeirat*, and the powerful *Zentralverwaltungen* in the Soviet zone, demonstrated both Allied Military Government and German capacity to meet the unprecedented problems of zonal occupation under the differing policies of the powers.

Within the zones, *Laender* were either revived or created, sometimes on an artificial and tentative basis because of the fantastic boundaries of the zones; sometimes on the foundation of centuries, as in the old kingdoms of Bavaria and Saxony. Today, therefore, Germany, although still without a central government, is organized territorially for administrative purposes into fourteen *Laender* or States, plus two Free Cities—Bremen and Hamburg—which also have the status of States. With some consolidation and alteration of boundaries, these existing units of government could serve as the basis for a new German commonwealth, either *Einheitsstaat* or *Bundesstaat* as the Germans may wish or as the powers may permit. The three Western powers, with some differences, favor a federal Germany; Russia has been working for a centralized government, although at Potsdam it agreed to "the decentralization of the political structure."

The zones have differed as much politically as governmentally. Reference has already been made to the policy of the Soviet Military Government in favoring one political party, the SED. In other ways, the Soviet authorities have prevented the free growth of political parties and ideas by strict police and information controls. In the French zone strict regulation of political activities has been the rule, and on several occasions political leaders have been prevented from leaving the zone, and others have been prohibited from entering the French zone.[20] In the British and American zones, on the contrary, political party activities have been encouraged, and a full complement of party organizations exist. The party leadership up to the present consists mainly of former party stalwarts, and the membership of the parties is not large. Nor have party policies become firmly crystallized. Party names are not too descriptive of actual political groupings, and factionalism is rife. Nevertheless, fairly strong party organizations exist; they have selected and presented their candidates for election; and their elected representatives are now running the German organizations. A free press has been established in the western zones, and a beginning made in the use of radio under government regulation. Reorganization of public education is in progress in the various zones, and universities in all zones have been reopened after being denazified. An elaborate system of property control, originally established by Military Government, has now been taken over by the German state governments in the American zone and is being managed by them in the interest of the victims of nazism and the state.

In the much discussed field of denazification, practices and progress have varied from zone to zone. Despite the rigorous requirements of the Potsdam Declaration, and the provisions of Control Council Directives Nos. 24 and 38, enforcement has been uneven. Only in the American zone has a thorough and complete program of denazification been attempted.[21] Following a rigorous denazification program laid down in JCS 1067, the basic American directive, the Germans passed their own denazification law on March 5, 1946, and since that time have been screening all adult Germans in the American zone through the special machinery which they established to carry out the law. In the British zone nearly as many persons have been removed from office or prevented from occupying a public position, but the standards have been less rigorous and the mass of the population has not been as much affected by the denazification process as in the American zone. The double

18. Thanks to the coordinating machinery of the *Laenderrat*, the states in the American zone have been able to make great progress in re-establishing a *Rechtsstaat* with most of its legal norms and institutions. If we could point to equally great political rehabilitation, we would be well on the way to normal, peaceful Germany. Political determinations, however, are still subject to decisions on the international plane.

19. *American Policy in Occupied Areas*, Department of State Publication 2794. Also Pollock and Others, *op. cit.*, ch. IV.

20. *Der Tagesspiegel*, June 3, 1947.

21. *Weekly Information Bulletin*, October 21, 1946, p. 7; "Denazification and Public Safety," *Report of the Military Governor*, June 1-July 31, 1947; also Elmer Plischke, "Denazifying the Reich," *The Review of Politics*, April 1947, pp. 153-72.

standard of denazification in effect in the two zones came to public attention when the American and British zones were merged economically. In the other two zones enforcement has depended upon the political objectives and administrative efficiency of France and Russia.[22] In sum, as in the economic field so here in denazification, "the uniformity of treatment of the German population throughout Germany" which was required by the Potsdam Declaration has not been followed. The National Socialist party, however, has been destroyed, most of the leading Nazis have been disposed of or are being punished, and the residues of the Nazi system are being gradually eliminated.[23]

ANGLO-AMERICAN MERGER

The most recent significant development in Germany has been the economic merger of the American and British zones. When it became apparent that agreement on setting up central administrative agencies was not going to be secured in the Control Council, former Secretary of State Byrnes instructed General McNarney (July 1946) to invite any and all zones to join with the American zone in setting up the agencies envisaged at Potsdam. Only the British came forward, and so the merger became an Anglo-American one[24] with the signing of the Byrnes-Bevin agreement of December 2, 1946.

Many difficult administrative problems were encountered in setting up the bizonal agencies. As has been explained, the pattern of government in the British zone was quite different from that in the American zone, and so was the denazification program. But despite these and other difficulties, six joint executive committees were set up to deal with economics, transport, communications, finance, food, and civil service. Two of these agencies, economics and transport, were located in the British zone at Minden and Bielefeld; the other four in the American zone—communications, finance and civil service at Frankfurt, and food at Stuttgart.

Following the Moscow conference of the Foreign Ministers, a reorganization of the bizonal setup took place in the summer of 1947. By agreement between the British and American Military Governors, a new Economic Council, an Executive Committee, and Executive Directors were authorized to be chosen by the elected German officials of the two zones.[25] Utilization of the elected German officials was made possible after the British zone had held elections on April 13, 1947 for state legislatures similar to those which took place in the American zone in November and December of the previous year. The new bizonal organization consists, first of all, of the Economic Council (*Wirtschaftsrat*), of 54 members chosen by the *Landtage* of the eight states, roughly in proportion both to population and to division of political opinion in the Land, as shown by the popular vote in the most recent Land-wide elections. The Executive Committee (*Exekutivausschuss*), consisting of one representative from each Land in the two zones appointed by the Land government and serving on a full-time basis, supervises the Executive Directors who head the administrative agencies.

The organization was centered in the American zone city of Frankfurt, and on June 26 the Economic Council came together for its first meeting. On July 27, after much political pulling and hauling between the SPD and the CDU factions in the Council, five Executive Directors, all belonging to or close to the CDU, were selected to head the various administrative agencies.[26] Two of the elected Directors having declined appointment, the Economic Council at a session on August 12 selected two others for the Directorships of Transportation and Finance.[27] The Social Democrats had demanded the position of Economic Director for their party, having already in their hands the Economic Ministers of all the states in the two zones. When this demand was refused by the other parties in the Economic Council, the Social Democrats went into opposition. The split in the German ranks is also represented in the ranks of British and American Military Government over both the question of socialization and the extent and character of supervision over the German agencies. These inevitable conflicts, however, should not interfere with a program to lift the two zones out of their economic difficulties. The opposition of the French government, on the other hand, to any increase in the level of industry in the two zones held up for a time the new bizonal level of industry program which was worked out by the two

22. In a proclamation issued in August 1947, Marshal Sokolovsky, the Soviet Military Governor, ordered in point 4 that "the German administrative officers are entrusted with the task of removing, within a period of three months, the former active Fascists and militarists who hold public and semi-public offices and corresponding posts in important private enterprises." This is a surprising admission to make after more than two years of occupation and Soviet charges that other powers have only removed the little Nazis. *New York Herald Tribune*, August 18, 1947.

23. On June 30, 1947 there were 47,656 German civilian internees in the American zone. *Report of the Military Governor*, Statistical Annex, p. 90.

24. Pollock and Meisel, *Germany Under Occupation*, cited, pp. 237-46.

25. *Weekly Information Bulletin*, September 1, 1947, pp. 11-16.

26. *Die Neue Zeitung*, 28 Juli 1947.

27. *Stuttgarter Zeitung*, 13 August 1947.

Military Governors in Germany. After a conference with the French, the new plan was announced early in September.[28] Once opposition has been straightened out or disregarded, the British and American zones can be made into a highly productive industrial area capable not only of paying its own way, but also of contributing enormously to the economic revival of Western Europe.[29] A firm agreement among the French, British and Americans on the German problem is essential for the success of the Marshall plan.

FAILURE OF MOSCOW CONFERENCE

All the disagreements in the Control Council that had prevented an orderly settlement of the German problem were referred to the Moscow conference of Foreign Ministers which met on March 10, 1947. These disagreements concerned every aspect of the German occupation: demilitarization, denazification, democratization, economic problems, reparations, central administrations, population transfers, and treaty making. After six weeks of detailed discussions on all the points, the Foreign Ministers adjourned, referring a few matters to the Control Council for action, and certain others to Deputies who were to work on the points of difference and to have a report ready for the next meeting of the Foreign Ministers to be held in London beginning on November 25. "Agreement," Secretary Marshall reported to the American people upon his return, "was made impossible at Moscow because, in our view, the Soviet Union insisted upon proposals which would have established in Germany a centralized government, adapted to the seizure of absolute control of a country which would be doomed economically through inadequate area and excessive population, and would be mortgaged to turn over a large part of its production as reparations, principally to the Soviet Union."[30] Thus, as he pungently concluded: "The patient is sinking while the doctors deliberate."

Between Soviet demands for reparations and French demands for security, it is difficult to see where there can be any practicable compromise. The new British-American level of industry agreement has sharpened French fears of a rearmed Germany, although as ex-President Hoover has pointed out in his recent report, "almost every industry on earth is a war potential in modern war and no industry (except direct arms manufacture) is a war potential if the energies of a people are confined to the paths of peace." Secretary Byrnes at Paris and Secretary Marshall at Moscow have proposed a forty-year non-aggression pact to assure France, or any other nation which fears German revival, that the United States will come to its aid in the event of a future German act of war. Such a pact, in addition to the thoroughgoing destruction of all arms, ammunition, implements of war, and fortifications, and the extensive removal of war plants should be sufficient to allay French fears, especially if accompanied by continued international control of the Ruhr. Recent developments appear to indicate that France is moving in the direction of closer collaboration with Britain and the United States. To date, however, the Soviet attitude appears unchanged.

From this brief review it can be seen that on the eve of the momentous London conference we are faced with a German problem more serious in many respects than that confronting us at the end of the war. Valuable time has been lost, new international complications have developed, and the social and economic conditions of the German people have deteriorated until they are now not as able to assist in reconstruction as they would have been two years ago. The Control Council still exists and could be made to function, but the basic fact about Germany is that the four occupying powers have become tangled up with each other and at present are standing in the way of German and European recovery. There is still grave uncertainty as to the kind of Germany which will emerge from the post-war international confusion —whether it will be a united or a divided Germany, and whether it will become a pawn in the game of international politics. The shortcomings of Allied occupation even raise doubts as to the nature of any continuing control of Germany and the length of the occupation. Delays and doubts about disarmament and demilitarization—principally concerning the return of German prisoners of war—cast ominous shadows over the whole situation.[31]

The great human problem of caring for the displaced persons, who are still being housed and fed by the American and British authorities, seems to be no further toward solution than

28. The conference between the French, British and Americans was held in London the end of August, after which the new level of industry plan was made public. See *Weekly Information Bulletin*, September 8, 1947, pp. 11-13. The French have not to date withdrawn their final reservation pending discussions on a larger coal allocation for them from the Ruhr.

29. See Report No. 3 by ex-President Hoover for a careful discussion of this subject, *New York Times*, March 24, 1947.

30. Department of State *Bulletin*, May 11, 1947, pp. 919-24.

31. At the Moscow conference it was agreed that German prisoners of war will be returned to Germany by December 31, 1948. A plan for the repatriation of war prisoners was to have been worked out by the Control Council before July 1 of this year.

two years ago. Meanwhile, there is a progressive deterioration of good human material.[32] Quite as disheartening, and fraught with graver social and international consequences, is the expellee problem. The transfer to Germany and settlement of approximately 10,000,000 *Volksdeutsche* in "Rump Germany" has already had dangerous results of a far-reaching character. As French Foreign Minister Bidault pointed out at Moscow, the overcrowding of huge, undigested masses of people in the shambles of Germany constitutes a serious menace to the peace. The French, at least, see this problem clearly. Despite the most sincere and capable efforts of responsible German authorities, the expellee situation today is so serious and of such huge proportions, that the Germans themselves are totally unable to solve its most difficult aspects. Finally, the denazification problem requires uniform treatment; in fact, if there could be uniform treatment of the whole population of Germany which Potsdam prescribed, most if not all of the present problems would be capable of solution. Failure to treat Germany as an economic unit; transfer to Polish and Soviet administration of the area east of the Oder-Neisse which deprived the rest of Germany of absolutely essential food; formation of Germany into air-tight compartments; interference with the free flow of indigenous goods between zones; artificial controls over travel and organization of political and social groups; cramming millions of expellees in already overcrowded areas—all of these mistakes must now somehow be corrected. The great powers have not given the world a very edifying spectacle of their ability to solve the German problem. Perhaps association with the smaller powers might leaven the discussions and point the way toward sound solutions.

The Soviet Union, however, has hitherto opposed the presence of the smaller powers in the making of a German settlement. Moreover, until there are decisions on the questions of reparations, level of industry, and of a provisional central government for Germany, little progress is likely to be made on the larger question of a treaty of peace. At the moment the question of a divided or a united Germany must first be answered. If the four occupying powers could agree at London on a provisional German central government for all of Germany, and could clear the way for German rehabilitation, it would then be possible to think in terms of an eventual peace treaty. The original aim of the Potsdam Declaration "for eventual peaceful cooperation in international life by Germany" is still the soundest approach to the problem. Otherwise any division of Germany, implying as it does the incorporation of at least a part of it into one or more countries, and the development of an irredentist movement will lay the foundations for future strife. If such a division of Germany should take place, and the erstwhile Allies continue to pull Germany in several directions, the prospects for peace in Europe would lessen, and the growth of the United Nations would inevitably be impeded.

The choice at London is quite clearly for peace or a continuation of the present "cold" war. Either Germany should be reconstituted within boundaries and on an economic foundation which will support its teeming population on a reasonable standard of living, or it will be divided into a Soviet-dominated area and one controlled by the Western powers. If the latter alternative is followed, then we might as well dig in and prepare for the inevitable conflict. It is better to solve the major issue now rather than to allow the Germans to decide the terrain and the other conditions on which a conflict would come later on. Nothing will be gained in the long run by an attempt to compromise the basic issues.

The emphasis in the Potsdam Declaration and in American policy on the development of democratic self-government has now gone as far as is possible under present conditions. In fact, deterioration in democratic progress is likely to set in, if it has not already started, because of the deplorable stalemate in economic matters. Without a better standard of living based on a self-sustaining German economy—requirements which are laid down in the new American directive—political progress is doomed.

It is entirely possible to solve the German problem in such a way as to contribute to the progress of peaceful international life. But if there is continued drift, or if a division of Germany takes place, a disintegration of the present embryo peace will inevitably occur. It would be cruelly ironical if the Allies, after having smashed the Germans, could not now agree upon a program calculated to rebuild Europe's shattered economy and promote peace. Agreement at London on the measures shown by the occupation to be necessary would be the greatest achievement yet recorded in the de-

32. The Hoover Report, No. 1, *New York Times*, February 28, 1947, clearly and sharply outlines what is necessary to raise the average German ration to a point sufficient to maintain vitality to work. Reports from the Public Health Branch of the OMGUS indicate that deterioration has continued to occur in the health of the German population and that if such conditions persist we must ultimately reach a point where actual starvation occurs. Lowering of ability to do work of all kinds is regularly reported. Infant mortality has ranged between 92 and 102 per thousand live births per year as compared to a pre-war average of 65. The incidence of tuberculosis reached 35.6 cases per 10,000 in May.

velopment of a peaceful post-war world. Such an agreement, however, can only be brought about through large concessions by the Russians, and acceptance of a different sense of timing and security by the French. British and American economic support of Germany cannot continue much longer at the present rate, and Germany cannot remain a sinkhole of starvation and despair. Today Germany is still one of the central problems of the peace.

The ECONOMIC Situation

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The two and a half years that have elapsed since the surrender of the German armies in May 1945 have witnessed a remarkable shift in American opinion and in American policy regarding this country's economic objectives in Germany. The shift has broadly been away from our original aim of industrial disarmament toward the view that a very considerable degree of economic rehabilitation will be necessary if we are to attain our objectives not only in Germany, but in Europe as a whole.

The extent and the significance of the change in American policy may be seen by comparing the original basic directive to American Military Government authorities in Germany, the well-known JCS 1067, issued in April 1945,[1] with the directive of July 11, 1947,[2] and by comparing the figures on industrial capacity to be left in Germany as proposed by the original level-of-industry agreement of March 28, 1946[3] with the figures proposed in the recent Anglo-American level-of-industry agreement announced from London on August 28, 1947.[4]

CHANGE IN AMERICAN POLICY

According to the new Military Government directive, which is the most important recent statement of American policy on Germany, an orderly and prosperous Europe "requires the economic contributions of a stable and productive Germany as well as the necessary restraints to insure that Germany is not allowed to revive its destructive militarism." Whereas the original level-of-industry agreement proposed to retain in Germany industrial capacity sufficient to produce about 55 per cent of the output produced in 1938, the new agreement would leave capacity sufficient to produce roughly 80 per cent of 1938 output. This is approximately equivalent to the industrial output produced in Germany in 1936, "a year that was not characterized by either boom or depressed conditions."[5]

The main reasons for this change in governmental policy and in American thinking on the German problem appear to be as follows:

1. A growing conviction that European recovery and well-being depend to a substantial extent on German recovery and well-being.
2. The realization that without a considerable degree of recovery in Germany the United States will find itself in the position of subsidizing Germany indefinitely.
3. The growing belief that industrial disarmament is both ineffective and unnecessary to prevent the revival of a militarily aggressive Germany.

The opinion now prevails in the United States that, if Germany does not again become a productive economy, the difficulties of maintaining prosperity in the rest of Europe are measurably increased. Despite Hitler's drive for self-sufficiency, Germany still imported, as late as 1937, some $1.7 billion of merchandise and exported some $2 billion. In the twenties, the figures were roughly twice as large. Normally more than 50 per cent of this trade was intra-European trade. Germany was not only the principal market but the principal source of supply for a large number of European countries. In addition, Holland, Belgium, and other countries were dependent on a prosperous and extensive transit trade in goods moving to and from Germany.[6]

1. "The Axis in Defeat," Department of State Publication 2423, 1945, p. 40.
2. *New York Times*, July 15, 1947.
3. Cf. Department of State *Bulletin*, April 14, 1946.
4. *New York Times*, August 30, 1947.
5. "Statement on Output in Germany," *ibid.*
6. The figures quoted above are taken from *The Network of World Trade* (Geneva, League of Nations, 1942), and *Europe's Trade, ibid.*, 1941.

This interdependence of European economies, of which Germany's was the most important, cannot be destroyed without drastic economic consequences. The United States is now confronted, in connection with its foreign aid program, with large and continuing European trade deficits that can only be met, for the time being, from Western Hemisphere sources. But if Western European countries are ever to become self-supporting, some way must be found to meet a much larger share of their requirements than at present from the European sources that were available before the war. This means, among other things, a substantial rehabilitation of German production.

Rehabilitation of German production means, in fact, rehabilitation of industrial production. The density of German population and the inadequacy of German agricultural resources make it essential that, if Germans are to attain anything like the standards of living of surrounding countries, Germany must be a manufacturing country exporting manufactured products to pay for raw materials and foodstuffs. This fact is so elementary as hardly to require argument. When all population transfers have been completed, a population of some 70,000,000 will have been crowded into a territory that, before the war, contained 50,000,000. In the British and American zones the population expected in 1952 will be from 8 to 10,000,000 larger than in the same area in 1936.[7]

Even with the present level of food consumption, which approaches a starvation diet, 3,000,000 tons of grain per year have to be imported into the British and American zones. With anything like decent standards of consumption, and even with the fullest and most effective utilization of the agricultural resources of the whole of Germany, the food import requirements would be much larger, at least in terms of value and, possibly, in volume. The imports from outside of Germany necessary to sustain planned production and consumption in the British and American zones are now estimated at $2 billion a year, at current prices.[8] Apart from coal and small quantities of potash, Germany has no raw materials whose exports might pay for necessary food imports. Consequently, Germany must manufacture or die.

In the course of time it may be possible to move out of Germany some part of what seems certain to become a surplus population. It may also be possible to shift somewhat the character of German manufacturing toward light industry products and away from the pre-war concentration on heavy industry products. These are, however, long-range prospects largely dependent on the course of events outside of Germany. Meanwhile, recovery and prosperity in Germany and in Europe require a substantial rehabilitation of German industrial output.

The fact has also been impressed on American Military Government officials in Germany, on authorities in Washington, and on the American people that, without a substantial measure of economic recovery in Germany, it is quite possible that the United States will be called upon to subsidize Germany indefinitely. Over and above military costs of occupation, the United States is importing goods for German relief to the amount of $350 million a year. Britain is obligated for a similar figure and, in view of the British financial crisis, it is altogether probable that this burden will have to be assumed by the United States. Even these expenditures, however, have proved inadequate to maintain a standard of food consumption favorable to economic recovery. Low productivity and absenteeism directly attributable to underfeeding have hampered efforts to revive German industry. Health conditions and morale continue to deteriorate. If German output is to be increased, it seems probable that expenditures for imported foodstuffs and raw materials will have to be increased. The financial drain on the United States will cease only when Germany develops a volume of exports sufficient to pay for necessary imports. In the main, this is a problem of production, although some part of the failure to achieve more than the extraordinarily low current volume of exports is probably to be attributed to the laxness of British and American controls in Germany.

Finally, the shift in American opinion away from economic disarmament and toward a substantial measure of economic rehabilitation in Germany is the result of a growing conviction that economic disarmament is both ineffective and unnecessary. It could be effective only if German industrial capacity, once destroyed or removed, was not permitted to be rebuilt. To prevent Germany from rebuilding, however, would require military occupation for a period and under conditions that neither the United States nor Britain have been willing to envisage. As early as December 12, 1945, the Department of State announced that the United States had no intention of imposing a permanent limitation on German industrial capacity.[9] With that statement, economic disarmament as a means of preventing German aggression become no longer tenable.

7. "Statement on Output in Germany," cited.
8. *Ibid.*
9. Department of State *Bulletin*, December 16, 1945.

Its place has been taken by the proposal to prevent the production in Germany of weapons of war for twenty-five, forty or an indefinite number of years. This proposal,[10] it is thought, would not require a mass army of occupation but merely a small surveillance force backed by an agreement among the powers now occupying Germany to intervene in case of violation. If these or similar measures can prevent the re-emergence of a militarily strong Germany, economic disarmament must be judged to be not only ineffective but unnecessary.

COULD POTSDAM AGREEMENT BE REVISED?

We have considered the substantial shift in American policy toward Germany away from economic disarmament as the principal objective. It must be recognized, however, that the settlement in Germany will be influenced not only by American policy but by the policies of the other occupying powers. To date the only general settlement the occupying powers have been able to achieve is represented by the Potsdam Agreement of August 1945,[11] and in many of its most important respects Potsdam has remained merely a paper agreement.

Although unimplemented, the Potsdam protocol is, nevertheless, an agreement signed by the heads of state of three of the powers now occupying Germany and conditionally accepted by France. None of these powers has repudiated Potsdam, and it is significant that at the conference of Foreign Ministers in Moscow in March and April 1947 the representatives of each country, including the United States, took particular pains to emphasize the compatibility of their own program for Germany with the agreement reached at Potsdam. It is important, therefore, to consider how far Potsdam still conforms to United States views concerning a proper settlement in Germany, and whether modifications which our representatives might deem it necessary to bring forward at the November Council of Foreign Ministers would be acceptable to the other powers.

There is a disposition in some quarters to consider the Potsdam protocol as an extreme example of the Morgenthau point of view, now generally repudiated in this country, and as such representing a settlement which the United States should make every effort to modify. As indicated above, this did not appear to be the view of our representatives in Moscow, whose principal efforts were in fact devoted to the attempt to secure Russian agreement to the implementation of what they considered the principal clauses of the Potsdam protocol.

On the economic side these clauses relate primarily to the treatment of Germany as an economic unit, the level of industry to be permitted Germany, and reparations.

TREATMENT OF GERMANY AS ECONOMIC UNIT

At Potsdam the three powers agreed not only to the treatment of Germany as an economic unit, but to the establishment of central agencies for the administration of "finance, transport, communications, foreign trade and industry."[12] In spite of the fact that France, in the Allied Control Council, opposed for many months the establishment of central agencies, its consent was finally, although reluctantly, given in July 1946.[13] Meanwhile, however, both France and the U.S.S.R. had raised such serious difficulties that General Clay in May 1946 announced the cessation of reparations deliveries pending participation in the treatment of Germany as an economic unit.

At Moscow, although all the participating countries favored the establishment of central economic agencies and all except France agreed that the level of permitted industry in Germany should be raised, each laid down conditions which it proved impossible to reconcile. It now appears clear that central economic agencies will not be established in Germany unless and until agreement has been reached on all other important aspects of the German settlement.

Meanwhile, the United States continues to regard the treatment of Germany as an economic unit as the core on the economic side of a satisfactory German settlement. Without economic unification there can be no political unification, and without political unification there is no hope of the eventual emergence of an independent Germany "neither pawn nor partner" of the surrounding great powers, in the language of former Secretary of State Byrnes' Stuttgart speech.

Although the political aspects of unification, involving as they do the possibility of a withdrawal of occupation forces in the not too distant future, are no doubt of primary importance, the economic aspects of unification are hardly less important. The interdependence of eastern Germany with its agricultural surpluses and western Germany with its industrial output scarcely needs emphasis. If unification is not achieved and goods do not flow freely between east and west, the difficulties of es-

10. See p. 204.

11. Cf. "The Axis in Defeat," cited.

12. *Potsdam Protocol*, ch. III, Sec. A., par. 9, IV.

13. See W. N. Hadsel, "The Ruhr: Object of Allied Rivalries," *Foreign Policy Report*, September 15, 1946, p. 165.

tablishing a functioning western German economy will be most serious.

THE LEVEL OF INDUSTRY

It is the original level-of-industry agreement, arrived at through Allied Control Council negotiations on March 28, 1946 in conformity with directions given at Potsdam, that stands forth most clearly in the public mind as the exemplification of the Morgenthau influence in German policy. This agreement, it is true, aimed at a very low level of industrial production in Germany, approximately 55 per cent of 1938. It must not be forgotten, however, that the agreement on production capacities was conditioned on the fulfillment of certain assumptions. These assumptions were: (1) that the German population, after all transfers had been completed, would total about 66,500,000; (2) that the territory embraced by the German frontiers would be the territory occupied by the victorious powers, exclusive of Poland, at the time of the Potsdam conference; (3) that German exports envisaged in the agreement would find foreign markets.

None of these assumptions has been or will be fulfilled. It is clear now that the population of Germany will not be less than 70,000,000. Both the United States and Britain have indicated their support of the French claim to the detachment of the Saar territory on condition that the level of Germany's permitted industry be raised to compensate for the loss of Saar facilities. Finally, it is becoming abundantly clear that the foreign demand for German products, at least in the foreseeable future, will be for the heavy items that composed Germany's pre-war stock in trade rather than for the toys, ceramics, and textiles contemplated by the level-of-industry plan.

For all these reasons the industrial capacity to be left in Germany would have to be increased to conform to the Potsdam standards. But there are other reasons also. The initial level-of-industry agreement, although an extremely difficult piece of negotiation, was from a technical point of view a hit-and-miss affair. Frequently the solution for a particular industry was to take the four estimates of capacity submitted by the four Allied representatives, add the capacities, and divide by four. The result is the existence of serious inconsistencies in the plan. The provision of electrical generating capacity is inadequate to satisfy the requirements of the plan. This is also true of certain heavy chemicals including fertilizers and, probably, also of iron and steel. Consequently the level-of-industry agreement would have to be revised merely to permit the attainment of Potsdam standards.

When the new level-of-industry agreement, announced from London on August 28, 1947, was under preparation the negotiators had to bear in mind not only all the considerations mentioned above, but others as well. Implicit in the Potsdam settlement was the principle that none of the four occupying powers would remove from their zone industrial capacity in excess of such quantities as were compatible with the plan for Germany as a whole. Although the U.S.S.R. has never been willing to state the amount of its removals, there is apparently substantial evidence that in certain categories these removals have been excessive. If this is so, standards envisaged at Potsdam could only be attained by retaining compensating capacity in the rest of Germany.

It is not known to what extent the negotiators of the new level-of-industry took Russian removals into account; nor is it known to what extent and how these negotiators attempted to prepare for the contingency of a possible partition of Germany. Consequently it is extremely difficult to form a judgment on the question whether the new level of industry for the British and American zones is or is not compatible with the Potsdam agreement. But the fact that it is substantially higher than the initial level-of-industry does not mean that it is necessarily incompatible.

THE REPARATIONS DILEMMA

Although the primary purpose of the original American reparations program was to accomplish economic disarmament by the removal of capital equipment from Germany, there were in fact two other purposes: to provide reparations for the countries devastated by Germany; and to make certain that the standard of living in Germany would be no higher than the average of other European countries. The United States, as indicated above, has by now practically abandoned economic disarmament as an objective, and such concern as we have for the standard of living in Germany is rather to raise it than to hold it down. There remains the problem of reparations for the sake of reparations.

At Potsdam, the victorious powers agreed to a program of reparations in the form of capital removals. Although nothing was said about current output, the language of Potsdam makes it fairly clear that reparations in this form are excluded, at least until German exports have become sufficient to pay for necessary imports. No provisions of the Potsdam protocol have occasioned as much dispute as the reparations provisions and, among

the economic terms, there are none on which the differences among the powers appear to be as great. The U.S.S.R. has reiterated its claims, advanced by Stalin at Yalta, to $10 billion in reparations which, if the Yalta formula was followed, would mean a total of $20 billion in reparations for all countries. Since the value of capital removals, even under the original level-of-industry agreement, would not exceed $3 billion, the Russian claim—if it is possible of achievement at all—would mean systematic exploitation of the German economy for reparations purposes for a very long period of time.

The American interpretation of Potsdam, on the other hand, limits reparations to the removal of capital equipment or, in any case, holds that reparations from current output could only be provided after Germany has become self-sufficient at the Potsdam standard of living. Since Germany is far from being self-sufficient and since the present standard of living falls far short of that contemplated at Potsdam, it would be a very long time before reparations from current output would be practical.

At Moscow the United States made a small concession in the direction of reparations from current output. In return for an agreement to raise the level-of-industry, the United States delegation announced its willingness to consider reparations from current output to the value of the plant and equipment which would have been available but which becomes no longer available with the increase in the level-of-industry to be permitted in Germany.[14] Reparations deliveries from current output, however, would not begin until German exports are sufficient not only to pay for current output but to pay, as a prior charge, costs of occupation and relief incurred by occupying powers.

Reviewing the most important economic provisions of Potsdam concerning the treatment of Germany as an economic unit, the level of permitted industry, and reparations, we have seen that, despite the change in American public and official opinion regarding a proper settlement in Germany, the economic provisions of Potsdam, at least on the basis of the American interpretation, are probably not seriously incompatible with such a settlement. Consequently, we may expect the American delegation at the London Council of Foreign Ministers to show the same support for the Potsdam agreement that it displayed at Moscow.

14. "Moscow Meeting of the Council of Foreign Ministers," Statement on Reparations by the Secretary of State, Department of State *Bulletin*, April 13, 1947, pp. 652-53.

ATTITUDE OF RUSSIA

Although the United States, for reasons discussed above, would probably be well satisfied to accept a settlement on Germany essentially along lines envisaged at Potsdam, the prospects for such a settlement do not appear to be bright.

At Moscow, the cleavage between the U.S.S.R. on the one hand, and Britain and the United States on the other, was even wider than it appeared to be at Potsdam. The U.S.S.R. delegation at Moscow advanced claims that were not only unacceptable to the other powers, but were known in advance to be unacceptable. Russia demanded that Britain and the United States abandon forthwith their bizonal operation in Germany which had been adopted only because the possibility of joining the four zones seemed to recede ever further into the distance. Foreign Minister Molotov advocated four-power control of the Ruhr although, with economic unification, the U.S.S.R. could at any time share in the control not only of Ruhr resources, but of all resources in Germany. It was announced at Moscow that the Soviet government regarded the satisfaction of its claim to $10 billion in reparations as an absolute condition to Russian agreement on other aspects of the German settlement. Moreover, the recalcitrance of the Soviet delegation was as marked on other economic and political issues as on these here cited.

The Soviet Union did not seek agreement on Germany at the Moscow conference, and it is an interesting question why this was so. Two possible explanations may be offered.[15] According to the first, the Moscow conference represented simply another example of Soviet tactics in negotiation which are by now all too familiar. The negotiation of peace treaties with Germany's satellites required fifteen months largely because the Soviet negotiators, through a long process of testing the firmness of initial positions taken by the other powers, maintained their extreme claims till near the end. It is possible that the German settlement presents another case in point. If so, it may be that concessions will be made in London in November or, if not in London, at some subsequent meeting of the Council of Foreign Ministers.

The second explanation of failure at Moscow is in terms of a possible Soviet estimate of its own bargaining position. The U.S.S.R. may not have sought agreement because it considered that the probable course of events favored delay. Within a relatively short period of time, the Russian position in Eastern Europe may be consolidated, and eco-

15. Cf. E. S. Mason, "Reflections on the Moscow Conference," *International Organization*, September 1947, p. 475-87.

nomic disintegration in Western Europe may work in a manner favorable to an increase in Soviet power and prestige. The long anticipated depression in the United States may actually occur, with a consequent enhancement of American isolationist tendencies. Over and above these short-term considerations is the well-known Soviet conviction that the tide of events is running definitely against the capitalist democracies and in favor of the spread of communism. Under these circumstances, why make concessions when time will produce the desired results?

If the first explanation of failure at Moscow is correct, there is still hope in negotiation. If the second is correct, the only fruitful course of action for the United States is to attempt to bring about a course of events favorable to us. It is entirely possible, of course, that each explanation contains an element of truth. Here we are concerned with the practical possibilities of negotiation.

WHAT CONCESSIONS COULD U.S. MAKE?

When the Council of Foreign Ministers meets in November, it seems quite probable that the positions taken by the four powers in Moscow will be reiterated. Are there any economic concessions by means of which the United States might facilitate agreement on the assumption that the Soviet Union wants to agree? While concessions might be made on a number of relatively minor issues, such as a special regime for the Ruhr, the treatment of Soviet property acquisitions in Germany, the details of a financial plan for Germany and other matters, the one great and overriding economic difference between Britain and the United States on the one hand, and the Soviet Union on the other concerns reparations. On this issue the French occupy an intermediate position.

Although space does not permit an adequate examination of the reparations question, it must be emphasized that there are very serious limitations to the possibilities of American concessions. The United States already carries a heavy relief burden in Germany and will in all probability have to assume that now borne by the British. To saddle Germany with an obligation to pay reparations from current output would greatly increase that burden. If the obligation is postponed until Germany becomes self-supporting, a number of years will elapse. If then the obligation is assumed, it can hardly be enforced without the maintenance of occupation troops in Germany for the duration of the reparations claims. Finally, it is difficult to imagine any undertaking more likely to prove a constant source of friction among occupying powers than the administration of a program of reparations from current output.

For these reasons and others, it seems probable that, if agreement is to be reached on this most seriously contested economic issue now dividing the four powers immediately concerned with a German settlement, the major concessions will have to come from the U.S.S.R.

MARSHALL PLAN AND GERMAN ECONOMY

If the second explanation of failure at Moscow is correct, the only practicable course of action open to the United States is to attempt to bring about a change in that current of events on which the Soviet forecast would seem to be based. The foreign aid program now under discussion, the so-called Marshall plan, is an attempt to do precisely that in Western Europe, and in this program our policy toward Germany has an important role to play.

It is a policy obviously fraught with difficulties both political and economic which lie beyond the scope of this report. In general, however, it may be said that a wise policy will aim at a German recovery, within the broader context of European recovery as a whole, by measures which (a) leave open as far as possible the door to eventual accommodation with the Soviet Union in Germany and elsewhere, and (b) pay due attention to the long-range security preoccupation of Western Europe, particularly of France, concerning dangers of a highly industrialized and aggressive Germany.

The British and American governments came to the conclusion soon after Moscow that, whether agreement on a German settlement could or could not be secured, the level of permitted industry in their two western zones had to be settled in the very near future. If production in Germany was to recover, the Germans must know what facilities were going to be available. The settlement of this question was necessary also in order to resume the flow of reparations deliveries to claimant countries both east and west. It was recognized, moreover, that the longer the decision was postponed, the more difficult it would become to carry out a program of capital removal.

The new level-of-industry agreement was negotiated with all these considerations in mind and announced on July 15, 1947. The industrial capacities to be retained in Germany were obviously determined on the basis of economic considerations. A self-supporting Germany capable of contributing to the recovery and prosperity of an interdependent European economy was the primary objective. The

French have protested strongly against this new level of permitted industry on security and other grounds. The new agreement will also drastically curtail the supplies of capital equipment available for reparations deliveries.

New decisions will have to be made on both the security and the reparations questions, but it is difficult to see how these decisions can be taken until it becomes clear whether Germany is to be united or to continue partitioned. If the three western zones have to be constituted as a western Germany, the total population will be approximately 48,000,000 rather than the 70,000,000 of a united Germany. This in itself significantly changes the magnitude of the security problem, although it by no means relieves the Western powers of the necessity of finding a solution. The prospects of reparations from current output for the Western claimants will be seriously affected by the much greater difficulty of developing any sort of export surplus from the misshapen and mangled western Germany.

Pending the solution of these problems, it must be recognized that the immediate limitation on further industrial recovery in the whole of Western Europe, including Germany, is the shortage of food, fuel, and raw materials. In so far as the United States has influence on the allocations of commodities in short supply—and that influence is admittedly large—our preoccupation should be not with recovery in Germany or any other particular country, but with allocation that will promote recovery in the whole of the area covered by our foreign aid program. It would be possible for the United States, by concentrating attention on Germany and, in particular, by diverting a maximum of the Ruhr coal output to German use, to cut our costs in Germany. On the other hand, the slowing down of recovery elsewhere would merely increase the demand in other countries for American aid. It would also be possible, by diverting a maximum of Ruhr coal output to export, to promote recovery outside of Germany and lessen the demand for United States aid. This, however, would certainly increase the already heavy cost of relief and occupation in Germany.

Unless and until we can secure Soviet cooperation in a German settlement, our policy toward Germany will have to be shaped within the context of the current foreign aid program for Western Europe.

In the November 15 issue of FOREIGN POLICY REPORTS:

TECHNICAL SPECIALIZED AGENCIES OF THE U.N. *by Fred L. Hadsel*

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. D. M. LADD

DATE: 12-6-47

FROM : Mr. J. P. COYNE

SUBJECT: FOREIGN POLICY ASSOCIATION
INTERNAL SECURITY - C

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Beahm
Miss Gandy

Current Biography Volume 8, Number 10, November, 1947, contains a biography of Brooks Emeny, President of the captioned organization.

A photostatic copy of this biography was made and is attached hereto for inclusion in the subject file of captioned organization.

Attachment

CBH:wma

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ENCLOSURE [redacted]

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Committee for Polish Relief. Since 1944 he has been a member of the advisory board of the Detroit chapter of the American Red Cross; he serves as a director of the Detroit chapter of the YMCA. In 1945 he was treasurer of the field army of the American Cancer Society, of which he was a trustee in 1947. His club memberships are the Detroit, Detroit Country, Detroit Athletic, and Bloomfield Hills Country clubs in Detroit, and the Metropolitan Club of New York. Dodge's church is the Episcopalian, and his political party the Republican. Married June 28, 1916, Joseph and Julia Jane (Jeffers) Dodge have one son, Joseph Jeffers. The physical characteristics of the envoy are dark hair, blue eyes, a weight of 164 pounds, and a height of five feet nine inches. His diversions are reading, gardening, and riding.

References

Banking 39:49 N '46 por; 39:56 Je '47 por
Who's Who in America, 1946-47
Who's Who in Commerce and Industry (1946)



Press Assn., Inc.

BROOKS EMENY

EMENY, BROOKS July 29, 1901- Educator; political scientist; association president

Address: b. c/o Foreign Policy Association, 22 E. 38th St., New York 16; h. 19001 South Park Blvd., Cleveland

As president of the Foreign Policy Association, a post to which he was elected in March 1947, Brooks Emeny will lead a campaign to enroll the support of one hundred thousand Americans for the association's 1947 project. "The objective of the 1947 Foreign Policy campaign," states a press release from that organization, "is not only to create an informed public opinion on matters of foreign policy, but to stimulate . . . that public participation which must be the basis of any democratic foreign policy." A political scientist, Carnegie Fellow, and former instructor in government at Yale University, Emeny was the originator of the term, the "Have vs. the Have-Not" nations, an expression which first appeared in one of his books.

Brooks Emeny was born in Salem, Ohio, on July 29, 1901, the son of Frederick James and Elizabeth Miller (Brooks) Emeny. At the age of nineteen, after attending the Governor Dummer Academy (South Byfield, Massachusetts) from 1917 to 1918 and the Mercersburg (Pennsylvania) Academy from 1918 to 1920, Emeny entered Princeton University. Upon being graduated in 1924, Emeny was awarded a Carnegie Fellowship in international law, which enabled him to spend the next three years studying abroad. For the 1924-25 term he was in Paris, at the Sorbonne; for 1925-26, at the London School of Economics, and for 1926-27, at the Konsular Akademie in Vienna and at the University of Madrid.

On returning to the United States in 1927, Emeny accepted the position of instructor in government at Yale University, a position he filled until 1931, when he resigned in order to devote himself entirely to research in the field of government. Between 1933 and 1935, a period that was marked by his receiving his Ph.D. degree from Yale (1934), Emeny lived in Washington, D.C., and concentrated on writing and research. Much of the material contained in his first book, *The Strategy of Raw Materials: A Study of American Peace and War* (1934), was also incorporated in his doctoral thesis. Through the medium of statistics, Emeny determined the probable self-sufficiency in food and raw materials of the United States in the event of war. According to the New York *Times*, the volume was "useful, timely, and informative . . . should not escape the attention of anyone interested in the practical problems of possible war and actual peace." The United States Army and Navy selected it as a basic text for a senior course at West Point and Annapolis. The book was also translated into Japanese by the Government of Japan.

Emeny, who had joined the staff of Cleveland College in 1935 as associate professor of international relations, was in that year invited by Newton D. Baker to become director of Cleveland's Foreign Affairs Council. An educational group then consisting of 350 members, the council attained a membership of 3,500 by 1943, according to *Time*'s figures. That magazine acted as co-sponsor of the twenty-first anniversary institute of the Cleveland Council on World Affairs, held in January 1947. (The change of name was made in 1943.) Brooks Emeny, who, said *Time* on January 20, 1947, had "helped carry out Newton D. Baker's dream of turning Cleveland's famed civic spirit to foreign affairs," served as chairman of the sessions, at which appeared Ezequiel Padilla [49], Premier Alcide de Gasperi of Italy [46], James Forrestal [43], Cardinal Spellman [47], Sumner Welles [40], James Carey [41], Maurice Schumann,

EMENY, BROOKS—*Continued*

Wellington Koo '41, James F. Byrnes '41, and others.

The key to Emeny's theories of foreign policy lie in his "Have vs. Have-not" ideas: that the less privileged nations of the world struggle for a share of the raw materials; that the imposition of currency restrictions and tariff barriers had placed the most severe strictures on the less favored nations. In his opinion, the real reason for the revolt of Italy, Germany, and Japan was their fear of being cut off by vital foreign imports. Emeny stressed these points in a college text, *The Great Powers in World Politics* (1935), and in a shortened version of that book called *The Price of Peace*, both of which were written in collaboration with Frank H. Simonds, editor, and authority on foreign affairs. The danger of imminent war could be averted, Emeny suggested in an article published in a 1937 issue of the *American Scholar*, by collective security, general disarmament, international regulation of monopolies and control schemes, a relaxation of tariffs and of strictures upon international currency and exchange.

A summary of Emeny's beliefs about World War II was contained in a speech he delivered before the Institute of Public Affairs at the University of Virginia on June 17, 1940. "In the light of cold historical perspective," he said, "the present war is basically a repetition . . . of the same old European problem that the security of Britain rests upon the prevention of the rise of a single dominant power in Europe. . . .The command of American waters by our own Navy and a similar command by the Japanese in Asia have been due to the rise of the German menace to British security in Europe. . . .The price of our conquest of Europe and Asia today is that we remain henceforth the dominant power in both regions following the conflict, with all the burdens and costs involved."

In September 1940 Emeny was asked by Wendell Willkie, then making his nation-wide campaign tour as a Presidential candidate, to join his train party as adviser on foreign policy. In the next few months, Emeny, in speeches before the Foreign Policy Association (New York City, October 19, 1940) and the American Political Science Association (Chicago, December 27, 1940), urged a neutral foreign policy for the United States, for he felt that American participation in the war could not be justified unless the United States intended to remain the dominant power in Europe and Asia after the war. The political scientist did not oppose the policy of aid to the Allies, which was supported by large sections of the American population. That these policies might lead to war, Emeny felt, was not realized by most of its adherents.

Emeny's views on postwar policy and conditions were expressed in *Mainsprings of World Politics*, which was published by the Foreign Policy Association in 1943. The destiny of the world after the war would be determined by the Great Powers, the United States, Great Britain, and the Soviet Union. All three must work together to establish a permanent peace. This would imply that the United States abandon its traditional policies, take a direct concern in the affairs of Europe and Asia, and participate in a collective world security system.

On March 31, 1947, Emeny's appointment as president of the Foreign Policy Association was announced. To stimulate public participation in the making of foreign policy, as Secretary of State George Marshall '47 had suggested, the association began a campaign to enlist the support of one hundred thousand Americans for the 1947 educational program. On accepting the presidency, according to an F.P.A. press release, Emeny said: "The presidency of the Foreign Policy Association offers one of the most challenging opportunities today for furthering the public understanding of the problems of contemporary world relations as they affect America and for the development of a leadership of informed opinion upon which alone a constructive foreign policy can be based. . . .This can only be achieved through a widespread cooperative effort not only among members of the association, but through the aid and partnership of other national organizations devoted to research and education in specialized fields of world affairs."

An adviser to the Cultural Relations Division of the Office of Inter-American Affairs, Emeny since 1941 has also been a consultant to the United States Department of State. He has served as American delegate of the Institute of Pacific Relations to the Tokyo Conference in 1935, to the Yosemite Conference in 1936, to the Virginia Beach Conference in 1939, the Mont Tremblant Conference in 1942, the Hot Springs (Virginia) Conference in 1945, and the Coronado (California) Conference in 1947. He holds membership in the American Academy of Political and Social Science, the Council on Foreign Relations, the Institute of Pacific Relations (of which he became a member of the board of directors in 1940), and the Academy of Political Science. He is also a member of the National Foreign Trade Council and serves on the board of the National Policy Committee. His other affiliations are with the Cleveland Chamber of Commerce and the Cleveland Museum of Natural History, the American Geographical Society, the Western Reserve Historical Society, the American Society of Metals, the American Society for Public Administration, and the Latin-American Economic Institute of New York. In 1936 he became a member of the board of directors of Oberlin College.

The clubs to which Brooks Emeny belongs are the Union, Rotary, and City, of Cleveland; the Metropolitan and Chevy Chase, of Washington, D.C.; the Century and the Princeton, of New York. By his marriage in 1928 to Winifred Rockefeller, the grandniece of John D. Rockefeller, Brooks Emeny is the father of three children: Faith, Winifred, and Jose-

phine. *Time*'s description of Emeny is "slender" and "dark-haired."

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Time 41:48 Mr 8 '43

Who's Who in America, 1946-47

ERCOLI, ERCOLE *See* Togliatti, P.

FOLLIARD, EDWARD T(HOMAS) (fŏl' yărd) May 14, 1899- Journalist

Address: b. c/o The Washington Post, 1337 E St., N.W., Washington, D.C.; h. 4412 Lowell St., N.W., Washington, D.C.



EDWARD T. FOLLIARD

A veteran newspaperman whose articles on Washington, national, and international affairs have brought him renown in the field of journalism, Edward T. Folliard of the Washington *Post* in May 1947 won a Pulitzer Prize for his "distinguished example of telegraphic reporting on national affairs." The award was for his series of articles, printed in December 1946 in the *Post*, revealing "the circumstances and influences which made possible the appearance of so strange and sinister a phenomenon" as the Columbians, Inc., an Atlanta (Georgia) organization which Folliard showed to be fascist in purpose.

Edward Thomas Folliard was born May 14, 1899, in Georgetown, a suburb of Washington, D.C. He was one of a family of six children (three boys and three girls) of Thomas and Rose (Greene) Folliard, both of whom had emigrated to the United States from Ireland, Thomas Folliard from Roscommon, and his wife from Galway. Reared for the greater part of his boyhood not in his native Georgetown but in the "Bottom" (or "Foggy Bottom," because it is said that from it Washington's bad weather originates) near the Potomac River, young Edward attended public and parochial schools in the district.

Folliard's first connection with the field of journalism was in 1916-17 when he worked as a copyboy at the Washington bureau of the the International News Service under John Edwin Nevin. Shortly after the United States entered World War I, the eighteen-year-old youth enlisted in the Navy in June 1917. In the course of his war duty, both in airplanes and on transports, he made twenty crossings of the Atlantic. He survived the wreck of the U.S.S. *Piave*, the ship in which he was then stationed, when it sank off Goodwin Sands in the English Channel between Dover and Calais. Before he was mustered out of the Navy in September of 1919, he had also served for a time as correspondent for *Stars and Stripes*.

After his naval discharge, Folliard resumed working for newspapers. For a time, too, he continued some of his studies. Then, in 1922 he obtained his first reportorial position, on the Washington *Herald*. The young newspaperman in the following year (1923) became one of the Washington *Post* staff; except for an interval of about two years, as of 1947 he has remained with the *Post*. While he worked as a police reporter, his first major assignment, he attended classes at George Washington University, also in the capital, during 1924 and 1925. Several of the courses he took were on the newspaper's time, a circumstance which necessitated his dashing out of class whenever he heard fire engines emerging from an engine house close by, so that he might report the blaze if serious.

In the succeeding years Folliard was to experience all phases of journalism, from police reporting and writing obituaries to covering events of the courts, District Building (city hall), general assignments, Congress (for seven years), and the White House (about which he continues to write). His qualifications for this work, according to *Pathfinder* (May 21, 1947), were threefold: "a natural Irish curiosity, two long wiry legs, and a firm resolve never to write a story 'the boys back in Foggy Bottom couldn't understand.'" One of his early "collisions with big news," stated Scott Hart in the article "Report on a White House Reporter," was his ferreting out, during prohibition, of the fact that one Washington bootlegger was hiding his whisky in the bushes near the White House south lawn. He learned, too, in his cub reporter days that crimes are not solved by the police with Sherlock Holmes tactics but usually through "swarms of informers." He was to report the electrocution, in 1936, of Bruno Hauptmann for the killing of the infant son of Charles Lindbergh.

Folliard's articles for the Washington *Post* also gave readers the details of his interviews with eminent people and of the visits to the United States of such international figures as Winston Churchill, Mme. Chiang Kai-shek, King Peter of Yugoslavia, Anthony Eden, and Queen Wilhelmina, and that in 1936 of the then Cardinal Pacelli, who was to become Pope Pius XII. The *Post* reporter was also assigned to the 1939 tour of King George VI and Queen Elizabeth of Great Britain through parts of Canada and the United States. Some years previous, Folliard had been ordered to

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FOREIGN POLICY BULLETIN

An interpretation of current international events by the Research Staff of the Foreign Policy Association

FOREIGN POLICY ASSOCIATION, Incorporated
22 East 38th Street, New York 16, N. Y.

91022

VOL. XXVII, No. 10 DECEMBER 19, 1947

WILL U. S. ADAPT POLICY TO CHANGING TRENDS IN EUROPE?

THE debates of the Council of Foreign Ministers in London, which adjourned abruptly on December 15, resembled a curtain briefly lowered while significant scene-shifting was rapidly effected by the Big Four. It is as yet too early to pass judgment on some of the historic shifts of the past week, but the following underlying trends should be noted:

1. *Readjustments in France and Italy.* The danger of prolonged strikes, possibly degenerating into civil war, with which French and Italian Communists, excluded from the cabinets of their respective countries, had challenged the governments of MRP Premier Robert Schuman and Christian Democratic Premier Alcide de Gasperi, has for the time being abated. The period of intense ferment revealed three important factors which are bound to affect the future course of events in France and Italy. First, a majority of workers appear weary of industrial unrest, and suspect the political motives of Communist strike-leaders. Second, the governments of France and Italy, although severely strained by recurring crises, have sufficient strength, and enjoy sufficient public support, to resist strike threats without resort to violence and without submission to pressure from the extreme Right. And third, it is now generally recognized that in countries plagued by mounting inflation, unrestrained black markets, and precarious reconstruction, workers have legitimate grievances which must not be confused with Communist propaganda, and must be corrected by adjustments in production and prices.

Following settlement of the Rome strike, Premier de Gasperi on December 14 broadened his cabinet by inclusion of Republicans and right-wing Socialists. Significant among changes in the cabinet are the appointment of Randolfo Pacciardi, a Republican who fought Franco in the Spanish civil war, as second Vice-Premier, and of Guiseppe Saragat, leader of right-wing Socialists, as third Vice-Premier; another right-wing Socialist, Roberto Tremelloni, has been named to the key post of Minister of Industry and Commerce. In Paris on December 12 René Mayer, Minister of Finance, announced that he was consulting leaders of labor and management concerning the government's proposed economic program, which is reported to include increased supplies of food for city workers, a decision by the cabinet not to borrow further from the Bank of France, and hope that food prices can be held at least at their present levels by increasing imports. Meanwhile, in Brussels, Socialist Premier and Foreign Minister Paul-Henri Spaak, regarded as one of the ablest political leaders in Europe, stated to an American correspondent that "the only answer to communism now is socialism—not reaction."

2. *U.S. Acknowledges Role of Socialism.* The first official indication that the United States is aware of this fact in Europe, and will no longer permit its

For background information on questions of immediate concern to the United States, read the following FOREIGN POLICY REPORTS:

EUROPEAN RECOVERY PROGRAM by Harold H. Hutcheson	December 15
THE NEW POLAND by S. Harrison Thomson	December 1
TECHNICAL SPECIALIZED AGENCIES OF THE U.N. by Fred L. Hadsel	November 15
RUSSIA'S INTERNAL ECONOMIC PROBLEMS by Vera M. Dean	July 1

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JAN 28 1948

EX-93

foreign policy to be overshadowed by fear of socialism, was given by Secretary of State Marshall in London on December 12 at the Pilgrims' dinner, when he said that the difference between Britain's Socialist economy and United States capitalism offers "no serious difficulties" to continued development of "close and even fraternal relationship" between the two countries. Hitherto there had been increasing danger that, in its efforts to check Russia and communism, the United States, by confusing socialism with communism, and by identifying democracy exclusively with free private enterprise of the American type, would find itself associated in the eyes of the world with reactionary forces everywhere, at incalculable risk to its prestige and influence. Had the American government made its position with respect to the need for social and economic reforms in post-war Europe clear when the war drew to a close, as urged by many observers,* the situation on the continent, and the condition of Russo-American relations, might be profoundly different today. The important thing now is for the United States to keep on understanding that demands for social and economic reforms are not all inspired by Communist propaganda, and that institutions of political liberty will have a chance to flourish in other countries only if they can emerge from the morass of war-created misery. It is in this connection that the European Recovery Program assumes particular importance.

3. *France and Britain Hold Balance Between U.S. and U.S.S.R.* The threatened strikes in France accelerated the process, already under way since the Moscow conference of last spring, by which Foreign Minister Bidault was gradually loosening the ties formed with Russia in the immediate post-war period, chiefly by General de Gaulle, and drawing closer to the Western powers. France's post-war rapprochement with Russia resulted from its traditional effort to balance off German pressure on France by a Russian pledge of pressure on Germany. To the extent that the United States and Britain can hold out the promise of long-term protection to the French against the re-emergence of Germany as a military power, France will be less in need of Russian safeguards.

Meanwhile, Britain has given many indications that it is not prepared to go as far as the United States in opposing Russia and the Russian-oriented countries of Eastern Europe. On December 11 the youthful British Minister of the Board of Trade, J. Harold Wilson, announced that he had arranged a trade agreement with the Soviet government providing for exchange, on a barter basis, of Russian barley, corn and oats for British electrical machinery and tools. In this connection it should also be noted that, contrary to the policy followed by the United States of withholding financial aid from Eastern European countries friendly to the U.S.S.R., former Premier Mikolajczyk, in a speech on December 12 to the Overseas Writers Club in Washington, urged economic aid to Poland as a check on communism in that nation. Meanwhile, in spite of demands from Republican circles for cessation of shipments of American goods to Russia, the Administration has taken the view that such shipments should be continued. This view is strongly supported by Hanson Baldwin of the *New York Times,* who has pointed out that the United States benefits more than Russia by the present trade between the two countries, since we import from the U.S.S.R. certain scarce strategic materials, notably manganese, chrome and platinum.

4. *U.S. Emphasizes Policy of Intervention.* In addition to acknowledging the role of socialism in Europe, the United States has also recognized the need for continued, as contrasted with spasmodic, intervention in European affairs. Coincident with the withdrawal on December 14 of the last remaining American troops from Italy, as provided by the Italian peace treaty, President Truman stated on December 13 that "this country continues its interest in the preservation of a free and independent Italy." The statement went on: "If, in the course of events, it becomes apparent that the freedom and independence of Italy upon which the peace settlement is based, are being threatened directly or indirectly, the United States, as a signatory of the peace treaty and as a member of the United Nations, will be obliged to consider what measures would be appropriate for the maintenance of peace and security."

Some observers, both here and in Italy, believe that the position of the United States in the months ahead would have been far stronger had the American government urged United Nations protection for Italy, even though Italy is not yet a member of the UN. Others are proposing a regional security agreement for southern Europe within the framework of the UN Charter. While the United States has taken a long step away from its traditional policy of nonintervention, it is still at the half-way stage of preferring unilateral national intervention as in Greece, and conceivably in Italy, to intervention through the organs of the UN. Hitherto, Russia's veto power in the Security Council has been regarded as an insuperable obstacle to the adoption of international measures of security. This question, however, calls for intensive study. For the danger might arise that disinclination to argue with Russia in the UN might drive the United States to rely on unilateral measures which, in turn, become an easy target for Communist propaganda. The Soviet gov-

*See "U.S. Policy In Europe," *Foreign Policy Reports,* January 15, 1946.

ernment, it should be noted, has announced that, in accordance with the Bulgarian peace treaty, Russian troops were withdrawn from Bulgaria on December 14.

5. *Devaluation in Russia.* That Russia, too, is not immune from the strains and stresses of post-war recovery was indicated on December 14, when the Soviet government announced a triple-barreled program of currency devaluation, termination of rationing, and introduction of a single-price system with reduction of prices for bread, cereals and beer. Inflationary tendencies had been apparent for some time in the Soviet economy.* The Kremlin now undertakes to combat these tendencies by three principal measures. The ruble (which is not quoted on foreign exchanges) has been drastically devalued. On a cash basis one new ruble will be given for ten old ones. On savings accounts and deposits, however, the rate will be one-for-one on the first 3,000 rubles, two new rubles for three old ones on the next 7,000, and one new one for two of the old on all accounts above 10,000. Rationing of foodstuffs and industrial consumer goods has been terminated — a measure facilitated by an unusually good crop last summer and by some improvement in the output of consumer goods, notably by cooperatives. The two-price system which has been in effect for several years, with low prices (raised in September 1946) on rationed goods, and high prices on unrationed items sold through government commercial stores or in the free market by individual peasant producers and cooperatives, has been abandoned in favor of a "unified commercial price." The government, however, will continue to control retail prices, and there will be different price scales for urban and rural areas, with advantages for the former, as well as for three different geographic zones, with advantages for the devastated regions. The immediate effect of price changes may mean at least temporarily higher prices for some items previously rationed. But prices for bread and flour will be reduced by 12 per cent, and those for cereals, macaroni and beer by 10 per cent.

Four points are particularly stressed in the Soviet decree: (1) that the sacrifice asked of Soviet citizens is "the last sacrifice" resulting from World War II which the country will be asked to bear; (2) that devaluation will end the activities of "speculators"; (3) that readjustment in prices will mean an increase in real wages for workers and employes; and (4) that the U.S.S.R., in spite of deflationary measures, does not have "and will not have unemployment." This last point will unquestionably receive marked attention in Soviet propaganda.

It becomes increasingly apparent that the controversy between the United States and Russia is not only a conflict over ideologies, but a very concrete debate about the practical measures that can be taken in the post-war world to prevent economic crises and improve economic and social conditions. In this debate the issues are not all black and white. As conditions in most European countries indicate, different mixtures of economic ideas and practices are needed to fit diverse conditions.

VERA MICHELES DEAN

*See "Russia's Internal Economic Problems," *Foreign Policy Reports*, July 1, 1947.

F.P.A. BOOKSHELF

91023

Gandhi and Stalin: Two Signs at the World's Crossroads, by Louis Fischer. New York, Harper, 1947. $2.50

A well-known correspondent, who has intimate knowledge of both Russia and India, feeling that the crisis of our times is essentially moral, believes that the philosophy of Gandhi offers a practicable alternative to the doctrines and practices of the Soviet government. Little consideration, however, is given to comparison of conditions in Russia and India.

Recognition in International Law, by H. Lauterpacht. Cambridge, England, Cambridge University Press, 1947. $5.50

A full treatment of the legal aspects of recognition of states and governments and of the status of belligerency considered against the background of recent diplomatic practice.

White's Political Dictionary, by Wilbur W. White. New York, World Publishing, 1947. $3.50

Written by a political scientist, this is a concise yet authoritative guide for the layman.

Democracy in the Dominions, by Alexander Brady. Toronto, Canada, University of Toronto Press, 1947. $4.25

An original study of the emergence of democratic government in Canada, Australia, New Zealand and South Africa. This book is a useful comparative analysis of the growth of self-rule in each country, showing that geography, history and race, among many diverse factors, have combined in each case to produce a government and social structure different from that in the other nations, yet related by adherence (although not fully in South Africa) to the institutions and concepts of democracy derived from Britain.

Canada, by Edgar McInnis. New York, Rinehart, 1947. $5.00

A full-scale history of the oldest of the British Dominions, from the colonial era through World War II, written mainly for use as a college text.

Italy, by Elizabeth Wiskemann. New York, Oxford University, 1947. $1.75

A valuable addition to "The World To-Day" series written with sympathetic understanding yet with a historian's perception of reality.

FOREIGN POLICY BULLETIN. Vol. XXVII, No. 10, DECEMBER 19, 1947. Published weekly by the Foreign Policy Association, Incorporated. National Headquarters, 22 East 38th Street, New York 16, N. Y. BROOKS EMENY, *President*; HELEN M. DAGGETT, *Secretary*; VERA MICHELES DEAN, *Editor*. Entered, as second-class matter December 2, 1921, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Four Dollars a Year. Please allow at least one month for change of address on membership publications.

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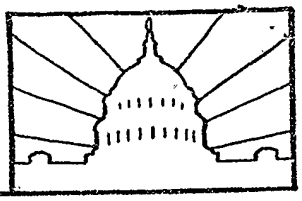
Washington News Letter



PUBLIC OPINION REMAINS DIVIDED ON MARSHALL PROGRAM

Now that the Capitol has almost completed action on the bill authorizing wintertime relief for France, Italy, Austria, and China, Washington is interested above all in the reception which the Eightieth Congress will give to the European Recovery Program when it convenes in January. American opinion remains so divided that the friends of the program lack the strength necessary to persuade a majority of members of Congress to demand its immediate enactment in a workable form. The Administration apparently will face not only direct Congressional opposition but also lethal amendments offered by members professedly in favor of the program—amendments that would forbid distribution of recovery funds to governments committed to a policy of nationalization, forbid recipient governments to pass American goods or the fruit of those goods on to Eastern European countries, give China a share in the program at the expense of Europe, and reduce the expenditures to the point of meaninglessness.

PUBLIC OPINION VARIES. An impressive source of cheer for the Administration is the indication given by important business and labor organizations that they would support a plan calling for extensive United States expenditures to promote the rehabilitation of European economy. The directors of the United States Chamber of Commerce, the Commerce and Industry Association of New York City, the Investment Bankers Association, the American Federation of Labor, and the Congress of Industrial Organizations are outstanding among the groups that have endorsed the recovery program. Industrialist Roy W. Gifford, Chairman of the Borg-Warner International Corporation, has made the novel suggestion that American manufacturers establish an Industrial Council for European Aid to assist in rebuilding and overhauling the European economic machinery. Going beyond simple approbation, the C.I.O. has evangelized for the program in Europe. James B. Carey, secretary-treasurer, persuaded the executive bureau of the World Federation of Trade Unions, meeting in Paris recently, to send out commendatory information about the program to the labor movements in the 63 countries affiliated with the federation, which the Soviet Union, hostile to the program, helped to establish.

Nevertheless, some strong business and labor groups oppose the program. Not all C.I.O. member unions support the stand of the parent organization. In November the international executive board of the Fur and Leather Workers, for instance, condemned the recovery proposal as "a scheme of the big business trust . . . to extend their domination over the economic and political life of other nations." The international section of the New York Board of Trade expressed concern last month that the program might cause the extinction of a number of small traders.

The National Association of Manufacturers, most important among the organizations taking a negative approach to the program, hedged its endorsement on November 10 with two conditions which could render the program fruitless. The N.A.M. demanded "that participating nations evidence their intent to stabilize their currencies, balance budgets, and place fiscal policies on a sound basis; . . . that during the period of economic aid the countries should not undertake further nationalization projects, or initiate projects which have the effect of destroying or impairing private competitive enterprise." Since existing unbalanced budgets and evidence of unsound fiscal policy abroad reflect rather than create the economic disorder which the recovery program is designed to eliminate, the N.A.M. conditions cannot in effect be satisfied.

PARTY PROBLEMS. The Congressional decision between those conflicting opinions depends primarily on the attitude and strength of Robert A. Taft, Republican, of Ohio, chairman of his party's steering committee in the Senate. The key to Taft's present stand is his address to the Ohio Society of New York on November 10, when he said that aid to Europe in the amounts proposed by Secretary of State George C. Marshall—$18,000,000,000 to $22,000,000,000 over a four-year period—would menace domestic economic stability and encourage European governments to follow unsound policies. Henry A. Wallace, an outspoken opponent of the recovery program, said in Buffalo on December 11 that he would prefer Taft to Truman for President because the former would change the country's foreign policy. Later, however, Wallace explained that he had in mind Taft's opposition to universal military training. The hostility of Representative Charles Halleck of Indiana, Republican leader in the House, toward the program is another impediment for the Administration in the coming debate. But many leading Republicans, including Governor Thomas E. Dewey of New York, have endorsed the ERP.

BLAIR BOLLES

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VOL. XXVI, No. 46 AUGUST 29, 1947

ECONOMIC DEVELOPMENT ESSENTIAL TO HEMISPHERE SECURITY

AS a result of the decisions made on August 22 by the steering committee of the Inter-American Defense Conference at Petropolis, Brazil, hemispheric economic problems will not be on the agenda of the parley. Delegates of the twenty-one American Republics will limit their deliberations to drafting the treaty of mutual defense contemplated in the 1945 Act of Chapultepec. Addressing the conference for the first time on August 20, Secretary of State Marshall reiterated the position of the United States when he observed that "our concern is with mutual defense and security." In response to this plea, the committee rejected by a vote of fifteen to five the efforts of Dr. Guillermo Belt, chief Cuban delegate, to bring up the issue of economic aggression. It also agreed, this time unanimously, that postwar Latin American economic difficulties should be considered at a special conference in the second half of 1948.

By excluding economic issues, the conference has simplified its task, which in any event will be highly complicated. Yet the fact remains that, in the past, threats and acts of aggression have often been economic in character. Thus, German penetration of the economy of southeastern Europe before 1939 was in effect "a bloodless war."

PROBLEM OF ECONOMIC AGGRESSION. In proposing that the hemispheric defense treaty include a ban on threats and attacks of an economic character, Dr. Belt, who is also Cuban Ambassador to Washington, stated that he was motivated by a clause contained in Section 202E of the United States Sugar Act of 1948. This clause provides that supplemental import quotas on sugar may be withdrawn from nations which have denied "fair and equitable treatment" to American citizens or business. Since extra quotas were given only to Cuba, he protested that economic pressure was being unfairly applied to force the collection of private debts. However, before approving this legislation on August 8, President Truman sought the opinion of Secretary Marshall, who advised that "it is quite incorrect to interpret this section as an unfriendly act," and that there was no intention "to substitute for or replace the orderly processes of settling differences, including international arbitration."

In the steering committee session on August 22, the Cuban delegate stated his government had accepted Secretary Marshall's interpretation and was prepared to drop the matter. But, supported by Bolivia, Guatemala, Ecuador and Venezuela, Dr. Belt voted in favor of the proposal to discuss the issue of economic aggression. A precedent was involved, he said, for one country might without warning alter a quota with serious damage to the other party. Admittedly, such a risk exists where quantitative trade controls are used, and it is for this reason that the United States has sought a ban on the device in the proposed International Trade Organization charter. Given the uneven economic development of nations, inequality in their bargaining power has been ac-

WHO MAKES OUR FOREIGN POLICY?
Headline Series, No. 62
REORGANIZATION OF THE STATE DEPARTMENT
Foreign Policy Reports, August 15, 1947

Today, as the Marshall Plan begins to take shape in Europe and the United States, it is more urgent than ever for American citizens to know how this country's foreign policy is made. Study groups will find these two publications prepared by Blair Bolles, director of the Foreign Policy Association's Washington Bureau, indispensable as background material.

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centuated; but in the absence of a world authority to control completely the trade of all countries, the proposed ITO is the best system thus far devised to protect weaker national units.

EUROPE'S REVIVAL AND THE AMERICAS. Such progress as the twenty Latin American Republics can make in developing a more balanced and integrated economy will unquestionably strengthen their bargaining power, and at the same time reinforce the system of regional security which is being worked out at the conference. For the present, however, not much assistance can be expected from the United States. As Secretary Marshall reminded the delegates on August 20, this country has already "assumed unusually heavy burdens in a determined effort to meet the minimum economic requirements of the areas devastated by war and now threatened with starvation and economic chaos." Problems of the Western Hemisphere are not thereby being ignored, for "the economic rehabilitation of Europe is vital to the economy of this hemisphere."

The importance to Latin America of recovery in Europe was graphically illustrated on August 20, when suspension of convertibility of the pound sterling into dollars was announced by Washington and London. Since July 15, Argentina, Brazil and Uruguay have been permitted to obtain dollars in exchange for the sterling arising from their export surplus with Britain; this they can no longer do. Argentina, whose import surplus from the United States was at the annual rate of $436 million in the first five months of 1947, faces a heavy drain on its remaining gold and dollar reserves. The Perón government, therefore, ceased issuing import licenses on August 21, pending a study of the situation.

Except in the case of Cuba and Venezuela, reported gold and exchange reserves of the American Republics have been steadily declining in recent months. Whereas in 1946 the total import surplus in trade with the United States was $200 million, it is now at an annual rate of $1.7 billion—a figure which does not include the dollars needed for freight charges, debt servicing, etc. Export surpluses to other areas are large; but they do not provide the convertible exchange that the Republics want.

In short, Latin American trade with both the United States and the rest of the world has become distorted as a result of the war. Europe is buying heavily from this hemisphere without being able to export more than a fraction of the pre-war volume. The American Republics, in turn, are buying increasingly large amounts of goods from the United States. The over-all situation is one of transition, and in that respect is a normal sequel to the war. But without a prompt recovery of the productive capacity of Europe, the process of readjustment will become much more difficult for this hemisphere. An export surplus to the devastated areas, which does not provide gold or convertible currencies, means that Latin America's excess of imports from the United States must soon decline, lest remaining dollar reserves be reduced to the danger point. For this reason many countries have already adopted strict import controls.

HAROLD H. HUTCHESON

COLONIAL POWERS COORDINATE POLICIES IN WEST AFRICA

ACCRA, GOLD COAST—Opening the annual debate on the colonial budget, Britain's Secretary of State for the Colonies, A. Creech Jones, presented to Parliament on July 29 a comprehensive report on British colonial progress since the outbreak of war in 1939. Here in West Africa, one of the most promising developments announced by Mr. Jones is the inauguration, during the past two years, of regional cooperation between Britain, France and Belgium. This movement is a major step forward both in colonial development and international cooperation.

STRATEGIC ROLE OF WEST AFRICA. In West Africa, Britain holds four enclaves (the Gambia, Sierra Leone, the Gold Coast, and Nigeria) in a great land mass under French sovereignty. The economic and strategic importance of this area has recently been somewhat forgotten because of publicity given to two developments in East Africa: the rumored project to transfer British bases from the Mediterranean to East Africa, and the $100 million socialized groundnuts (peanuts) plan for that region. The economic and strategic future of West Africa, however, is a matter of grave concern to the interested powers. A mission sent out by the British government left the Gambia for London on July 19 to recommend groundnut and sunflower oil seed development projects in Nigeria, the Gold Coast and the Gambia. Great air bases in Senegal, the Gambia, Sierra Leone, Liberia, the Gold Coast and Nigeria have reduced their activity since the end of the war but are ready for rapid expansion. The United States is developing at Monrovia, the Liberian capital, a port which will have the largest dock facilities between Gibraltar and Capetown. Freetown, capital of Sierra Leone, has a natural harbor which at one time during the war held more than 250 ships. Officials in the Gambia hope that the future development of the seaplane will make the Gambia river a big air base.

War time construction of these air bases and harbor improvements brought to West Africa an influx of men and money which set off an inflationary spiral that has more than doubled the price level. This economic trend has greatly accelerated the pace of social and political change, a fact that is fully appreciated by the most alert British and French officials.

To them it seems imperative to tackle jointly the economic and social problems common to the whole of West Africa.

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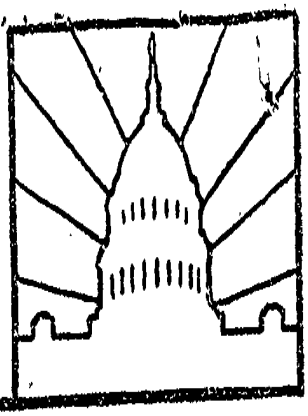
INTERNATIONAL COLONIAL PLANNING. Planning toward this end has proceeded steadily for two years. Officials in the British Colonial Office have direct telephone connections now with French colonial administrators in Paris, and London has close colonial contacts with Brussels through the Belgian Embassy in the British capital. Moreover, four international conferences on technical matters have already met. An Anglo-French veterinary conference at Dakar in May 1946 was followed in November by a public health conference in Accra, which was attended also by delegates from Belgium and by observers from Portugal and Liberia. In May 1947 two conferences of importance met simultaneously—an Anglo-French communications conference at Dakar, and a meeting in Paris to discuss and plan for future meetings. The Paris meetings of 20-23 are especially significant because they ratified an agreement between Britain, France and Belgium for eight technical conferences between 1947 and 1950 on agriculture and soil conservation, economy, forestry, nutrition, labor, education, problems of rinderpest, trypanosomiasis, tsetse fly, and

mendations for the improvement of telephone and postal communications, and for a better system of transport regulations on the Niger River, which flows through both British and French territory.

An atmosphere of complete harmony has reportedly characterized the four conferences thus far held. It was generally agreed that the UN specialized agencies should be invited to send representatives to future conferences. But the long-range success of technical cooperation in West Africa will depend on the maintenance of friendly political relations. In the past, France and Britain have come into frequent conflict on colonial issues. Their future relations are complicated by the perplexing attitude of the French Communists on colonial problems, and by the existence of issues like the Ewe question in the trust territories of British and French Togoland—an issue

Washington News Letter



BRITISH DOLLAR CRISIS HIGHLIGHTS ROLE OF U.S. LOAN AGENCY

The discussions of the British dollar problem in Washington from August 18 to 22 turned attention to the great powers of the Secretary of the Treasury in making foreign policy. As Chairman of the National Advisory Council on International Monetary and Financial Problems, he ranks with the Secretary of State in decisions affecting lending and spending abroad. Since the dollar is a major instrument of contemporary foreign policy, the Secretary-Chairman influences the relations of the United States with

came Secretary of the Treasury. That policy emphasizes the place of loans in improving commercial relations among nations. "The foreign loan program . . . is directed toward the creation of an international economic environment permitting a large volume of trade among all nations," the policy statement declares. In stressing commerce, the Council thrusts aside the State Department view that loans can serve primarily as instruments for the attainment of American political goals in international relations.

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VOL. XXVII, No. 8 DECEMBER 5, 1947

SUCCESS OF PARTITION HINGES ON ARAB-JEWISH COOPERATION

THE partition of Palestine was agreed upon by the UN General Assembly on November 29 after a hectic week of parliamentary maneuvers, adjournments, lobbying for votes, and last minute vote-switching. With ten states abstaining and Siam absent because of internal political conflicts, partition was approved by the unexpectedly large majority of 33 to 13, seven more than the requisite two-thirds majority. The Assembly's decision is the first step in creating three new political units in the small Holy Land: an independent Jewish state of 5,500 square miles inhabited by 538,000 Jews and 397,000 Arabs; an independent Arab state of 4,500 miles containing 804,000 Arabs and 10,000 Jews; and a UN trusteeship territory in the 289 square mile enclave of Jerusalem in which 105,000 Arabs and 100,000 Jews dwell. During a transition period which is to end by October 1, 1948, the partition plan will be administered, under the guidance of the Security Council, by a five-member UN commission comprised of Bolivia, Czechoslovakia, Denmark, Panama and the Philippines. The three parts of Palestine are to form an economic union, and the Jewish and Arab states are each to have an armed militia "sufficient in number to maintain internal order and to prevent frontier clashes." Provision is made for democratic institutions and protection of minorities. British troops are to be withdrawn and the British mandate terminated by August 1.

THE BALLOTING. Balloting on the partition proposal was marked by an air of tense excitement in the record crowd which packed the Assembly hall. Of the Big Five, the United States and the Soviet Union supported partition throughout, Britain and China consistently abstained, and France, fearful of disturbances in its Arab dependencies, at the end reluctantly voted yes. Thirteen Latin American states approved the plan, six abstained, and Cuba alone voted no. Yugoslavia abstained, reportedly because of its Moslem minority but the rest of the Slav bloc joined the advocates of partition. The Western-European states and the older British Dominions, some of which were at first inclined to abstain, cast an affirmative vote, as did Liberia which at one time was rumored to be in the opposing camp. In addition to Cuba, the thirteen opponents of partition included the six Arab members and six other states with Moslem interests—Afghanistan, India, Iran, Pakistan, Turkey and Greece.

During the last few days of debate, the United States was attacked by both pro- and anti-partitionists, the former condemning Washington for failing

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to use pressure to line up votes for partition, and the latter charging that the Administration was preventing a free vote by attempting to influence other states. Some observers speculated that the late-hour switch to partition by Haiti and the Philippines resulted from American pressure, but no evidence is available on this point.

ARAB OPPOSITION. When the final vote was taken the six Arab delegations walked out of the Assembly hall, serving notice that they would not cooperate in the partition plan. Later that night they issued a joint statement denying the legal right of the UN to partition Palestine, and calling attention to the fact that the states not supporting partition included "all the nations of the East who are directly concerned in this matter and whose number amounts to over one thousand million people." In Damascus, Syria, Arab rioters attacked the American Legation, while in Palestine Jews were killed and a three-day Arab general strike was called. Abdul Rahman Azzam Pasha, Secretary General of the Arab League of seven states, warned in Cairo that the UN decision would be resisted by force, although he declared he could not say when and where troops would be used. According to one report, King Ibn Saud of Saudi Arabia has agreed to contribute his oil revenues from the United States, reputedly $18,000,000 a year, to support Arab military forces in the fight against partition. As yet, however, the Arab states have not carried out past threats to withdraw from the UN, launch a joint declaration of war, cancel American oil concessions, or inaugurate large-scale guerrilla warfare.

CAN A JEWISH STATE SURVIVE? There is no doubt that Palestine is in for trouble. Zionist propagandists, in their efforts to win partition, have minimized Arab opposition, but the Jewish Agency is well aware of the danger. David Ben Gurion, chairman of the Agency's Executive, warned delegates to the Elected Assembly of Palestine Jewry on October 2 that their goal must be "security first of all and above all, since the fate of the Jewish State depends, more perhaps than on anything else, on our ability to ensure security." "Every single Jew in Palestine," he declared, must play his part in "a suitable security regime." From Jerusalem on November 30 came the report that Haganah, the Jewish defense organization, had called for mobilization of all men and women from 17 to 35 for special "security" ranks, and had called on all men from 25 to 45 to enlist for "home guard duty." Well-informed Zionists recognize, however, that defensive measures are not enough. They believe that a Jewish state cannot survive in Palestine unless the Jews ultimately win the friendship and cooperation of their Arab neighbors. They contend that the economic needs of the Arabs will eventually induce them to cooperate with the Jews, and that if the Jewish state can defend itself until that time its future will be assured. It is too early to pass sound judgment on whether this Zionist emphasis on economic factors is justified, or whether an intensified Arab nationalism will frustrate Jewish hopes. Zionists fear that Syria and Iraq will remain intransigent, but they hope to reach agreements with Transjordan and Egypt. King Abdullah, Zionists assert, would like to add Arab Palestine to Transjordan.

BRITAIN'S WITHDRAWAL. Partition received the necessary two-thirds vote because the United States and Russia supported it, and because a number of other states believed it would be "better than nothing." Votes of many states were influenced by the impression that "the Arabs are bluffing." These states may waver in their determination to carry out the UN decision if this view proves to be unfounded. In such an explosive situation the method by which British troops withdraw from Palestine will be of considerable importance. A Colonial Office spokesman in London was quoted on November 30 as saying that Britain probably would terminate the mandate before the August 1 deadline. The UN plan calls for clearing a seaport area by February 1 "to provide facilities for a substantial immigration," but Zionists stress their need for a completely free port through which they can bring in guns and supplies for defense. Britain could also aid partition enforcement by keeping its troops longest at those points where friction is most likely.

The inadequacy of enforcement provisions in the UN partition plan was the subject of considerable criticism in the Assembly. Since no agreement could be reached to provide UN armed forces, the five-nation commission which is to leave for Palestine within the next few weeks is confronted by the unsatisfactory prospect of having to rely on such support as it can get from (1) British armed forces in the process of withdrawing, (2) Jewish and Arab armed militia forces hostile to one another, and (3) its own moral prestige. In passing the partition plan, however, the UN Assembly branded any attempt to alter it by force as a threat to the peace, and called on the Security Council, in such a case, to take action under Articles 39 and 41 of the Charter which call for nonmilitary sanctions by all members of the UN.

Many of the President's advisers in the State Department, numerous American business interests, and most of the small group of Americans who have devoted their lives to Arabic studies believe that American policy on Palestine has damaged American interests in the Middle East. There is no doubt that this country has lost much good will in the Arab world,

but the permanent consequences of our action will be determined by the course of events in the next generation. The partition of Palestine was decided upon only after long and exhaustive deliberation during two official inquiries within two years. It was approved by the General Assembly of the UN. Conditions in Palestine had reached such an explosive point, especially following announcement of Britain's decision to withdraw, that some definite step was essential. In this crisis the division of the Holy Land into two independent states appeared to many Assembly delegates as the least harmful of possible alternatives. Certainly the decision of the UN will clarify the controversy as to whether partition will work.

VERNON MCKAY

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Documents on American Foreign Relations, July 1944-June 1945, edited by Leland M. Goodrich and Marie J. Carroll. Princeton, Princeton University Press, 1947. $6.00

The seventh volume in an important series includes documentary material on American foreign relations during the last year of World War II.

The International Problem of Governing Mankind, by Philip C. Jessup. Claremont, California, Claremont College, 1947. $2.50

This slim volume of addresses, delivered in an annual series of lectures conducted at the Associated Colleges in Claremont by Professor Jessup of Columbia University, is a brilliantly written and stimulating analysis of the principal problems of international organization. It is "must" reading for all students of international affairs.

The United States and Russia, by Vera Micheles Dean, with an introduction by Sumner Welles. Cambridge, Harvard University, 1947. $3.00

This volume, the third in the American Foreign Policy Library series edited by Sumner Welles, describes postwar developments in Russia, analyzes the issues at stake between the United States and Russia in Europe, Asia, and the Middle East, appraises the respective roles of the two countries in the UN, and in the perspective of Russo-American relations before 1945 points out some of the possible bases of a *modus vivendi.* The book contains an annotated bibliography.

The Development of the Soviet Economic System: An Essay on the Experience of Planning in the U.S.S.R., by Alexander Baykov. New York, Macmillan, 1947. $6.00

The author of this volume, a Russian who is now lecturer in charge of the Department of Economics and Institutions of the U.S.S.R. at Birmingham University in England, gives a valuable analysis of the main features of economic policy and economic development in the Soviet Union. His book, although written in a difficult style, fills a long-standing need for a comprehensive study in English on this subject.

Forced Labor in Soviet Russia, by David J. Dallin and Boris I. Nicolaevsky. New Haven, Yale University Press, 1947. $3.75

Mr. Dallin, a member of the Russian Socialist party who served as opposition deputy in the Moscow Soviet from 1918 to 1921, when he left Russia for Germany, has assembled information gathered from eye-witness accounts regarding conditions in forced labor camps in Russia, where he estimates that between 7 and 12 millions are at work as punishment for various acts—for the most part, he believes, acts of political opposition. These labor camps, in his opinion, have become an integral feature of the Soviet state.

Covenant Everlasting; Palestine in Jewish History, by Berl Locker. New York, Sharon Books, 1947. $1.50

This is considered "required reading" for all who write or speak on Palestine.

China: A Model for Europe, by Lewis A. Maverick. San Antonio, Texas, Paul Anderson, 1946.

A valuable contribution to the understanding of Chinese influence on European economic and political theory in the seventeenth and eighteenth centuries. Bound together in two volumes, volume I explores the subject as a whole, and volume II is a translation of *Le Despotisme de la Chine* by the eighteenth century physiocrat, Francois Quesnay.

China's Destiny and Chinese Economic Theory, by Chiang Kai-shek. New York, Roy, 1947. $3.50

China's Destiny, by Chiang Kai-shek. Translated by Wang Chung-hui. New York, Macmillan, 1947. $2.75

Two editions of important material, throwing light on the thought of Chiang Kai-shek. The Roy edition contains *Chinese Economic Theory* as well as a translation of the original edition of *China's Destiny,* and has extensive notes and commentary by Philip Jaffe. The officially authorized translation of *China's Destiny* by Wang Chung-hui is based on the revised edition, and has a brief preface by Lin Yutang.

China, edited by Harley Farnsworth MacNair. Berkeley, University of California, 1946. $6.50

More than thirty authorities discuss the history of China from ancient times down to the present day. The subjects covered include various periods of the Empire and Republic, religion, philosophy, art, literature, education, economic problems, and international relations. The chapters vary in quality, but the book as a whole is quite useful.

The Chrysanthemum and the Sword, by Ruth Benedict. Boston, Houghton Mifflin, 1946. $3.00

An anthropologist's analysis of the pattern of Japanese thought and behavior.

Population and Peace in the Pacific, by Warren S. Thompson. Chicago, University of Chicago, 1946. $3.75

A discussion of population problems in eastern Asia and India, with special reference to agrarian conditions, mineral resources, industrial development and other conditioning factors. Foreseeing a large-scale increase in Asia's population during the decades ahead, the author argues for progressive policies that will keep the unsettling effects of this growth to a minimum.

Secret Missions: The Story of an Intelligence Officer, by Ellis M. Zacharias. New York, Putnam's, 1946. $3.75

The personal history of an American naval intelligence officer, who worked in Japan before World War II and subsequently played an important part in American psychological warfare against Japan.

FOREIGN POLICY BULLETIN. Vol. XXVII, No. 8, DECEMBER 5, 1947. Published weekly by the Foreign Policy Association, Incorporated. National Headquarters, 22 East 38th Street, New York 16, N. Y. BROOKS EMENY, *President;* HELEN M. DAGGETT, *Secretary;* VERA MICHELES DEAN, *Editor.* Entered as second-class matter December 2, 1921, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Four Dollars a Year. Please allow at least one month for change of address on membership publications.

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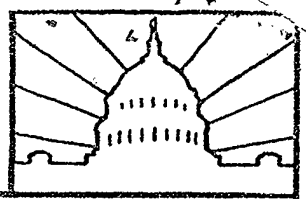

FOREIGN AID DEBATE COMPLICATED BY INJECTION OF CHINA ISSUE

The emphasis on the need to contain communism placed by President Truman in his enunciation of the "Truman Doctrine" on March 12 is causing embarrassment to the Administration now that it is seeking to give its policy a more positive character. A number of leading Republicans, including Governor Thomas E. Dewey of New York, Chairman Arthur H. Vandenberg of the Senate Foreign Relations Committee, and a majority of the House Foreign Affairs Committee, are using Truman's March argument to demand that the Administration broaden the "Marshall Plan" to include China as well as Europe. The raising of the Chinese issue at this time disturbs the Administration for three main reasons. First, it is believed that, relative to need, Congress will probably appropriate few enough dollars for Europe under the best of circumstances, and that anything assigned by law to China will be taken from what might have gone to Europe. Second, the expenditure of a large sum in China, it is argued, would be wasted unless the Chinese government becomes far more efficient than it is now. Third, it is feared that non-isolationist Republicans are preparing to make a party issue of China, and the Administration's alleged neglect of it, during the coming Presidential election campaign.

DEBATE MAY TURN ON SECONDARY ISSUES. The concern for China suggests strongly that the coming regular session of Congress may fight out the European Recovery Program on oblique issues. The House and Senate have made swift progress during the current special session toward enactment of the $597,000,000 stopgap aid to Europe, requested by Truman on November 17. This action indicates the American public is more prepared than before the war to admit that political and economic dislocation abroad injures the United States, and that foreign aid is therefore in our self-interest. But acceptance of this principle has not been followed by agreement on how it should be applied. Thus the problem of Europe may be subordinated to that of China policy. "The program of Communist world conquest is furthest advanced in China," Governor Dewey said on November 24, at a dinner of the alumni of the Columbia University Law School, when he announced his hope that "in the face of great peril to China, our own government would reverse its policy and take positive steps while there is still time."

The China question has been smouldering in the United States since General Marshall's return to Washington last January. Americans who believe that we can help China by helping Chiang Kai-shek contend that China deserves a role in any relief or recovery program. A strong proponent of this opinion in Congress is Representative Walter Judd, Republican, of Minnesota, a former medical missionary in China. He is a member of the House Foreign Affairs Committee which on November 25 voted to reduce President Truman's European aid request to $489,000,000 but to make available $60,000,000 to China, although Secretary Marshall on November 12 had assured the committee the Administration contemplated organizing a $300,000,000 project for China in April. Reports of Communist military success during the past two months have focused attention here on the Chinese issue.

MORE INFORMATION NEEDED. Administration leaders privately contend that both the European Recovery Program and the stopgap request are founded not so much on the simple "stop-communism" of the Truman Doctrine as on the fact that it is vital for us to keep world trade channels clear. They explain that our whole economy is based on a system of world trade, and that we will not be able to insulate ourselves from the impact of a starving world. Instead of advocating the programs on these grounds, however, the Administration itself, looking for a way to arouse public opinion, continues to rely on the appeal to block communism. This incomplete explanation of the bases of American policy not only encourages the advocates of help for Chiang Kai-shek, but bolsters critics of the Administration program, like Senator Robert A. Taft who fear the domestic consequences of internal economic controls or others, like Senator H. Styles Bridges, who hesitate to commit the country to continued large-scale exports.

Despite the readiness of many Congressmen oppose the aid programs obliquely, several fa must be noted. Republican Senators Baldwin, of Co necticut, and Aiken and Flanders, of Vermont, have attacked the party leadership for its criticism of Truman's proposal for internal controls. On December 1 the Senate voted, 83 to 6, to authorize the full $597,000,000 recommended by the Administration for emergency winter relief to France, Italy and Austria. General support for the principle of assistance is clear, but the long-term recovery program may yet be subjected to disputes over secondary issues.

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close the gap in the balance of payments.[10] The growth of industry and income in other countries had not increased British exports proportionately.[11] One reason for this was the rising tide of protectionism abroad; but another important factor was the failure of British industry to maintain its competitive efficiency through modernization.[12]

As a result of the 1931 British tariff policy and the modifications which other nations made in their foreign trade controls during the great depression of the 1930's, a substantial change was wrought in the pattern of European—and thus of world—commerce. Not only was there a decline in the volume of total trade; there was also an important change in commercial relationships. The system of offsetting trade balances through triangular and multilateral commerce, which had been developed over the course of several decades, was seriously crippled.[13] Confronted with a growing problem of idle resources, governments increased the protection given home producers; at the same time a determined effort was made to maintain exports through bilateral agreements, and—where possible—through the promotion of regional trade. Directly and indirectly, the restrictive measures reduced trade balances between countries, and in the process the routes by which transfers had been effected between debtors and creditors were altered. Whereas such international payments had hitherto been accomplished in a roundabout way, involving trade with and between several countries, many of these transactions were now made directly between the two nations concerned. Thus, the United Kingdom, France, Belgium, and the Netherlands had an aggregate favorable balance of $602 million in trade with their dominions and overseas territories in 1928—even though a large part of the income on foreign account of the mother countries came from investments in these areas; but in 1938, they had an unfavorable merchandise balance of $686 million with their empires. The income due them as creditors was therefore collected in large part directly.[14] As a result, intra-European trade was also affected.

10. G. D. A. MacDougall, "Britain's Foreign Trade Problem," *Economic Journal* (London), March 1947, pp. 79-80.

11. *Ibid.*, p. 82.

12. The volume of domestic investment—the point of growth and improvement in an economy—was not on a sufficiently large scale. It may well be that even though the export of British capital after 1919 was less than before the war, the outflow was at the expense of a more efficient home industry. According to the Macmillan Committee on Finance and Industry, London financial institutions were in some respects "more highly organised to provide capital to foreign countries than to British industry." See Cmd. 3897 (1931), p. 171.

13. League of Nations, *Europe's Trade* (Geneva, 1941), pp. 36-37.

14. *Ibid.*, p. 36.

In short, economic policy in Europe after 1930 increasingly emphasized employment rather than productivity, domestic stability rather than the gains of foreign trade, and consumer demand instead of savings and investment. The outcome was a greater degree of state intervention and more intense economic nationalism. But apart from Germany, where the production of armaments was greatly expanded, success in solving the problem of employment was not noteworthy. As late as 1939, in some of the leading democratic nations the percentage of the working population lacking employment was disturbingly high.[15] Accordingly, a considerable loss of production occurred in the free world. This is one reason why the victims of Nazi aggression were so poorly prepared to defend themselves.

IMPACT OF WORLD WAR II

The conflict of 1939-45 was the third major catastrophe in a single generation for Europe; within the compass of twenty-five years the cycle of events was that of war, followed by an unstable recovery, a prolonged depression, and another war. Twice German aggression has been successfully resisted, but this time the price paid for the victory has been tremendous—never in modern history have there been such destruction and disruption of economic life in Europe as since 1939. For Britain, losses sustained during the war are estimated at not less than 25 per cent of that country's national wealth;[16] other European nations experienced comparable declines in their assets, and in some instances—Poland, Greece and Italy—the damage wrought was even larger.[17]

In considerable part, this undermining of the productive capacity of Europe was the direct result of the operations of competing military forces, particularly Allied aerial bombardment aimed at transport and other facilities serving the German high command. But aside from this loss, the whole system of production and distribution had been distorted by the Nazi invaders, who sought to exploit systematically the resources of their victims and thus increase Germany's military potential. In the process, working capital was drained away. The most crippling blow to European economy, however, was the eventual breakdown of the transport network because of military losses and destruction,

15. D. B. Copland, *The Road to High Employment* (Cambridge, Harvard University Press, 1945), p. 5n.

16. A. C. Pigou, "1946 and 1919," *Lloyd's Bank Review* (London), July 1946, p. 13.

17. UN, *Preliminary Report of the Temporary Sub-Commission on Economic Reconstruction of Devastated Areas*, A/147 (Lake Success), October 26, 1946.

and the failure to make repairs and replacements. All in all, the decline of material wealth, the general dislocation of economic relationships, as well as the drain on the physical, moral and spiritual resources of Europeans, were such that the capacity to produce was markedly reduced. More important was the drop in the productivity of labor, which lessened the power to recuperate.

If the nations of Western Europe are again to be self-supporting with a reasonable standard of living, their reconstruction programs must envisage a productive capacity that is larger and much more efficient than that of pre-war days. For the need to finance imports by exports is greater now than it was then. While it may be expected that the rebuilding of domestic industry will lessen the dependence on foreign sources of supply, there will nevertheless remain many items, particularly foodstuffs and raw materials, which must be obtained abroad. But whereas in the past the trade deficit was offset by net income on account of services and returns on foreign investments, this overseas revenue has been much reduced by the course of events since 1939. For Britain, the decline in interest and dividend receipts between 1938 and 1946 amounted to £95 million (some $380 million), while the revenue from services, such as shipping, insurance, and so forth, fell by £33 million ($132 million).[18] Moreover, the British position has been made even more difficult in the long run by the large amount of foreign indebtedness incurred during and since the war. In the official *Economic Survey for 1947,* it is stated that the loss of gold and foreign investments and the creation of new debts "implies a worsening in our pre-war capital position in relation to the rest of the world by nearly £6,000 millions."[19] Accordingly, it is estimated that the volume of British exports must be increased by 75 per cent over the 1938 figure to cover the decline of overseas income and to service the new debt owed abroad.[20] If this goal is not reached, the disinvestment which has taken place will compel a reduction in imports to about two-thirds of the 1938 volume.

Another pre-war creditor nation confronted with a similar problem is the Netherlands.[20a] But neither that country nor any other Western European nation can hope to achieve a viable position in the world economy unless there is a large expansion of their export trade. The productive capacity required to attain this goal must be created; foreign markets to absorb the increased output have to be found. For several reasons, this latter undertaking will prove difficult in the long run.

Before the war, the United Kingdom imported more European goods than any other country, and although the import surplus with the continent had been declining since 1932, the British deficit in commerce with Europe remained at about $500 million annually. Since V-E Day, however, the trade balance has been reversed, with Europe importing from Britain more than it sells there.[21] But the foreign exchange which accrues to London is inconvertible, and thus the favorable balance with the continent has not aided Britain in financing its deficit with the Western Hemisphere. Recovery of European production must be accompanied by a revival on a tremendous scale of multilateral world trade, otherwise it is unlikely that continental manufacturers will again enjoy a large market in the British Isles. The latter will be able to import only to the extent that the trade can be financed by exports. The same requirement must be met by other European nations when foreign aid is no longer available.

Wartime changes in the pattern of world trade and industry, however, have created additional handicaps for European exporters. The virtual cessation of normal commercial relationships prompted many countries which formerly imported on a large scale from the Old World to seek supplies elsewhere and, failing this, to expand the output of local industry. Industrial development was accelerated in Latin America, the British Dominions, and in the Middle East.[22] Much of this increase in industrial output was obtained by more intensive use of existing facilities, the efficiency of which de-

18. *New York Times,* October 26, 1947, citing calculations made by editors of the London *Economist.*

19. Cmd. 7046, p. 11. See also, Alfred E. Kahn, "The British Balance of Payments and Problems of Domestic Policy," *Quarterly Journal of Economics,* May 1947, p. 369, and MacDougall, cited.

20. MacDougall, cited, p. 72.

20a. The collapse of the German economy has been a severe blow to the Netherlands. Pre-war trade with Germany through Dutch ports provided a sizeable income which as late as 1938 amounted to about 100 million florins. The Dutch investment in German transport, commercial and other enterprise was approximately 1 billion florins, with the profits and interest therefrom transferred through an excess of imports from Germany. In 1938 this import surplus was the equivalent of $81 million; the total Dutch merchandise trade deficit was $207 million. It is apparent, therefore, that the national economies of the two countries have been highly integrated in the past; in fact, about one-half of Dutch industry was equipped with German machinery. See Rotterdamsche Bankvereeniging, *Quarterly Review* (Rotterdam-Amsterdam), No. 2, 1947.

21. During 1946, Britain's export surplus with Europe averaged $38.4 million monthly; however, in the first seven months of 1947 imports increased, and by July the trade showed a deficit of $4.8 million.

22. League of Nations, *World Economic Survey, 1942/44* (Geneva, 1945), pp. 91ff; B. D. Weinryb, "Industrial Development of the Near East," *Quarterly Journal of Economics,* March 1947, pp. 471-99; and Department of Commerce, *Some Factors in Post-War Export Trade With the British Empire,* Economic Series No. 29 (Washington, D.C., 1944), part II.

clined because of rapid depreciation and inability to import parts and replacements. Assuming that the high-cost producers are not to be supported by extreme import controls, European manufacturers with superior productivity may once again compete effectively in their old markets. But, as the drafting of the charter for a proposed International Trade Organization (ITO) has revealed, those nations whose industrial development was promoted during the war are determined to expand further their domestic industry with the aid of import quotas. Provided the ITO proponents can keep such protectionism within reasonable limits, the growth of income from industrialization may result in a larger volume of foreign trade. To share in any such increase, however, European exporters must achieve a prompt and efficient restoration of their capacity to produce, for one of the most significant developments during the war has been the enormous growth in American industry. As a competitor in world markets this country is a formidable contender for trade.

INTRA-EUROPEAN TRADE

For the reasons given above, Western Europe will remain more dependent on its export industries than ever before; but the current large volume of imports from other continents will be reduced as productive capacity is built up and intra-European commerce increases. Prior to the war, commerce within Europe was of vital importance to all the participants; although Britain was less dependent on such trade than the other countries. Every other European nation sold over one-half of its exports within the continent, and with the exception of France, obtained a like amount of imports through intra-trade.[23] As might have been expected, the ten highly industrialized countries accounted for most of this commerce. The agricultural nations had a much smaller volume of trade, but their trade was even more concentrated in Europe—85 per cent of exports and 75 per cent of imports in 1935.

The war, however, has changed this intricate pattern of trade by means of which continental Europe was to a considerable extent self-supporting. The primary factors in the situation have been the decline of German coal and industrial output, and of foodstuffs in Eastern Europe. Germany, which in the past supplied large quantities of fuel, steel, machinery and other manufactures to Europe—72 per cent of its total exports in 1935—is now truncated and its economy, particularly the Ruhr-Rhineland industrial concentration, is practically stagnant. Failure thus far of the Big Four to agree on the terms of a German peace settlement has made the task of economic reconstruction in Western Europe more difficult. Plant removals in payment of reparation have been much less than was originally planned; in the meantime, with Ruhr coal output little more than 55 per cent of the wartime peak, the liberated countries have lacked the supply of fuel which they must have to restore fully their transport services, and to increase the production of electric power, steel, fertilizer, machinery, and so on.

In western Germany there have been acute shortages of food, housing, and other consumer and producer goods; accordingly, recovery has been far less than what was authorized in the Allied level-of-industry agreement of March 28, 1946.[24] The eastern areas of the country, which in the past accounted for 20 per cent of the food supply, are now incorporated into Poland. The population of the combined Anglo-American occupation zones, however, has been greatly increased by forced migrations of Germans from the East. Moreover, Germany and other European industrial nations obtained a part of their food requirements before 1939 through imports from the Danubian countries;[25] but since the end of the war only limited progress has been made in restoring the agricultural production of this region, whose trade has been largely redirected toward the U.S.S.R.

Unless and until more food, housing and consumer goods are made available to the German workers, it is unlikely that their productivity will increase to any extent. In these circumstances, it is not surprising that London and Washington authorities have given increasing attention recently to ways and means of reviving the Ruhr economy. Unless this is done, the burden of occupation costs will continue, while the shortage of fuel in Western Europe will necessitate further credits to finance imports of American coal, without which recovery would be halted. The issues involved are admittedly complicated, for the final decisions must take into account the future status of Germany. An ever-present risk is a resurgence of German military might based on industrial revival.

DOMESTIC RECOVERY PROBLEMS

From the point of view of national security, the countries which were victims of German aggression have every reason to increase the capacity and

23. *Europe's Trade*, cited, pp. 15ff.

24. See J. K. Pollock and E. S. Mason, "American Policy Toward Germany," *Foreign Policy Reports*, November 1, 1947, p. 207.

25. Germany continued to draw on the resources of this region until 1944.

productive efficiency of their economies. After World War I, the position of Germany had been strengthened by modernization of its system of production, while the other major European powers accomplished little in this direction. Moreover, during the depression of the 1930's, the democratic governments of Western Europe did not achieve as rapid a recovery as the Nazi regime.

In their efforts to overcome persistent unemployment, however, these countries resorted to more and more state intervention, a development which was influenced by the increasing popularity of the new school of economic thought headed by the late Lord Keynes. He and his followers held the view that unemployment resulted from oversaving accompanied by inadequate investment outlets; therefore, they contended, the proportion of the national income consisting of consumer goods and services should be increased. More consumption and less saving were the main points of their program. They gave little attention to the problem of modernizing British industry and thus improving its competitive position in world markets. Their answer to the balance-of-payments problem in the early 1930's was a policy aimed at maximum national self-sufficiency, which, they argued, was required if a full employment program was to be really effective.

In official planning for the transition from war to peace economy, unemployment, rather than modernization, was again the primary concern. Thus, in the White Paper on post-war economic policy issued by the Coalition cabinet in May 1944[26] the emphasis was on measures to maintain full employment once the conflict ended, rather than on reconstruction and modernization of productive capacity with a minimum of inflation.[27] But whereas reconversion at the end of World War I was accompanied by mass unemployment, since V-E Day there has been an acute shortage of men and materials, with a steady upward pressure on prices. Because of wartime austerity, a sizeable backlog of consumer buying power was created; at the same time, productive facilities, apart from the armament industries, declined. Such a situation sums up in a dangerous inflationary potential; therefore, when the Labor party came to power in 1945 it could not respond to the popular demand for higher wages and shorter hours except at the peril of a breakdown in price controls and rationing. As it is, the British economy has been characterized by "hidden inflation," a condition in which purchasing power increases and although prices do not rise markedly, money earnings buy little. For a number of reasons—adverse weather, the coal shortage, military commitments abroad, rising import prices, and so forth—the gap in the balance of payments has widened.

Faced with a mounting economic crisis, the Labor government is now recasting its program. To reduce the large deficit with dollar countries, further cuts in food and other consumer goods imports were recently announced. Outlays on housing, factories and other types of capital formation are to be slashed by £200 million immediately to make more resources available for export industries.[28] Further measures to reduce the inflationary potential include a tax program, announced on November 12, which is designed to drain some £208 million from the expendable funds of the British people.[29] In short, even though the volume of production has already surpassed the 1938 level, the international position of Britain has been so weakened, as pointed out above, that to avoid an impending exhaustion of dollar reserves more austerity must be decreed—even in capital formation, without which the required additions to productive capacity cannot be achieved.

In France and Italy, the situation is even more critical than in Britain. External reserves have been reduced to the point where not enough dollar exchange remains to finance imports of food and fuel, without which a collapse of the economy is almost certain. The wage-price spiral has not been brought under control; farmers hoard their surplus produce in expectation of higher returns, or use grain to feed livestock which can be sold at premium prices. In general, there has been a crippling decline of trade between town and country. Subsidies to farmers and nationalized industries to hold down prices have added to the budgetary deficit, and thus the supply of currency. Some of these out-

26. *Employment Policy,* Cmd. 6527.

27. The Laborites, however, did contend that full production constituted a special problem which in some industries—particularly coal mining—could be solved only by nationalization. But neither before nor since V-E Day has there been anything in British economic life comparable to the Monnet plan for the rebuilding and modernization of French industry. This need is now being recognized. In France, the problem of increasing the national income has been dealt with "as a problem in labor productivity rather than one of achieving full employment." See Edgar Beigel, "France Moves Toward National Planning," *Political Science Quarterly,* September 1947, p. 384. Given the shortage of labor caused by a declining population, such attention to productivity—output per man-hour—is to be expected; but the same approach must be followed in Britain if a higher real income is to be achieved, for in Britain, too, there is now a labor shortage. In particular, restrictive practices on the part of trade unions and management must be eliminated.

28. See *New York Times,* October 24, 1947. Cf. Jacob Viner, "An American View of the British Economic Crisis," *Lloyds Bank Review* (London), October 1947, pp. 28-38, who thinks that the capital goal to date has been too small and therefore "the most discouraging aspect of the entire picture."

29. See G. S. McClellan, "Britain's Economic Problems," *Foreign Policy Reports,* to be published January 1, 1948.

lays, however, have been reduced in recent weeks in an effort to achieve some measure of monetary stabilization. But another increase in wages has been approved by the French government, which has warned that a further rise in prices will make all economic planning impossible.[30] As in Britain, it has been necessary to reduce the volume of capital outlays, although these are indispensable in the fulfillment of the reconstruction program.[31]

In the Low Countries, reconstruction has not thus far reached such an impasse, although the Belgian government recently announced that additional cuts in imports might be necessary in the near future to avoid depletion of its dollar reserves.[32] But if the economic situation in Britain, France and elsewhere in Western Europe does not soon show improvement, the process of diminished capital formation for want of sufficient resources to carry forward the work of reconstruction will tend to spread. For despite the low level of activity, members of the European community remain interdependent.[33]

NEED FOR EUROPEAN COOPERATION

Confronted with an acute balance-of-payments problem, those countries whose external reserves are rapidly vanishing have no choice but to pursue policies aimed at more austerity and national self-sufficiency; but, as was abundantly illustrated in the interwar period, such a course tends to become self-defeating. Moreover, since each devastated country must more or less rebuild its entire national economy, the risk of uneconomic duplication of productive facilities is now even greater. Given an almost universal shortage of manpower and materials in the face of an unparalleled peacetime demand, logic would seem to compel the adoption of a supranational system of priorities, if the most effective use is to be made of available resources.

The several national reconstruction programs have beeen developed because concerted action within each country was necessary; the lack of coordination between these plans, however, has reflected a failure to realize the gains to be reaped from a regional approach to the common problems of recovery. Thus, while each country has relied on a system of priorities to obtain greater use of its available manpower and materials, a comparable arrangement on an intergovernmental basis has been worked out only for inland transport, coal and food imports. Accordingly, rebuilding the war-shattered economies of Europe has been largely a competitive undertaking. It was expected that the Emergency Economic Committee for Europe (EECE), which was set up in June 1945 with the United States included in the membership, would reduce the area of conflict in post-war planning. But in the report of the EECE for 1946, the Secretary-General noted that "governments have tended to prefer to work out their reconstruction plans in isolation, confining their consultation with other governments to bilateral discussions through diplomatic channels or to intergovernmental discussions on a narrower basis than that of the Committee."[34] A similar conclusion was reached by the UN Sub-Commission on Economic Reconstruction of Devastated Areas in a report on Europe filed with the Economic and Social Council on September 13, 1946.[35] The proposal that an Economic Commission for Europe be formed by the Council was approved unanimously on March 3, 1947.[36] At first, however, this project was opposed by the Soviet Union. Although that country later voted for the ECE, the outlook for fruitful cooperation steadily declined under the impact of the growing tension between East and West. In the meantime, economic conditions in Europe rapidly deteriorated. Reporting to the American people on the abortive meeting of the Council of Foreign Ministers in Moscow during March and April 1947, Secretary Marshall stated that this country could not await "compromise through exhaustion," which Stalin had recommended.[37] Fully aware that American foreign policy objectives were in jeopardy, Marshall in his Harvard speech on June 5 promised further aid, provided the European governments took the initiative and devised a comprehensive plan for maximum cooperation and self-help. Sixteen western countries accepted his proposal, while the U.S.S.R and its satellites rejected it.

PARIS CONFERENCE RECOVERY PLAN

The four-year production program outlined in the *General Report* which the sixteen-nation Committee of European Economic Cooperation (CEEC) submitted to Washington on September 22 is a signal contribution to effective mobilization of the available resources of the participants. Planning for a concerted effort to raise the level of pro-

30. *New York Times,* October 28, 1947, quoting report of the Monnet plan group.

31. *Business Week,* October 18, 1947, p. 111.

32. *New York Times,* October 30, 1947.

33. Thus, for example, Sweden now faces an acute balance-of-payments problem which is ascribable in part to the economic difficulties of Western Europe.

34. *First Annual Report by the Secretary-General of the Emergency Economic Committee for Europe* (London, HMSO, 1946), p. 23.

35. See UN document A/147, cited, pp. 59 and 63.

36. Hutcheson, "International Agencies," cited.

37. See Pollock and Mason, cited, pp. 210-11.

duction in countries which, with western Germany, have a total population of 270,000,000 is no simple and easy undertaking. Yet, in less than nine weeks, experts of the CEEC and subordinate technical committees on food and agriculture, fuel and power, iron and steel, timber and manpower, balance-of-payments problems, and finance have together drafted a detailed program covering the period 1948-51. Among the principal output targets for these four years are the following: a restoration of pre-war bread grain and other cereal production, with even larger increases in sugar and potatoes; an increase in coal output to 584,000,000 tons, or one-third more than the 1947 level and 30,000,000 tons above the 1938 level; an expansion of electricity output 40 per cent above 1947, and a growth of generating capacity to two-thirds above pre-war; an oil refining capacity two and a half times that of 1938; steel production of 55,000,000 tons, or 80 per cent more than in 1947 and 20 per cent higher than the output of 1938; expansion of inland transport facilities to carry 25 per cent more traffic in 1951 than in 1938; a restoration of pre-war merchant fleets by 1951; and reliance on European production to supply most of the capital equipment needed for these increases in capacity.[38]

In analyzing the domestic policies which are necessary if this vast production program is to succeed, the report stresses the need for internal financial and monetary stability. Failure on this score, it is further noted, will not only retard recovery of production but will also have an unstabilizing effect on other countries by limiting and distorting trade, with the result that economic cooperation is made more difficult.[39] This appraisal of the situation coincides with what other observers have said in criticism of the monetary policies of some European countries; they have pointed out that further foreign credits alone are not the answer, for although the strain on the balance of payments is eased, the underlying disequilibrium in the domestic economy is not thereby corrected.

To effect the greatest possible measure of self-help, the members of the CEEC propose to implement their individual production programs and stabilization plans by promoting greater intergovernmental cooperation. The Paris report points out that the various production plans envisage export surpluses wherever possible, with each participant supplying in part or in whole the requirements of others, thus reducing the deficiencies which are now being met, if at all, by imports. But this increase in intra-trade will not be realized unless import barriers are reduced. The sixteen nations, therefore, have agreed that the present abnormal restraints on their foreign commerce should be abolished as soon as possible; they also endorse the principles set forth in the charter of the proposed ITO, which calls for a world-wide reduction of tariffs on a multilateral basis. At the same time, steps are to be taken immediately to explore the possibility of liberalizing mutual trade through the development of customs unions in Europe—a project which has been supported by the United States. Already, the governments of Belgium, the Netherlands and Luxembourg are working out a trade arrangement that in their case will eventually involve a complete economic union. But, as the report notes, revision of import controls to form a customs union "particularly between several large and highly industrialised countries, involves complex technical negotiations and adjustments which can only be achieved by progressive stages over a period of years."[40] The problems involved and the steps to be taken, however, will be explored by a study group on which all of the participating countries other than Norway, Sweden and Switzerland are represented. Norway and Sweden have announced their intention to consider separately with Denmark and Iceland the formation of a Scandinavian customs union. France and Italy, as well as Greece and Turkey, are now conducting bilateral discussions on this subject. Given the present impoverished state of Western Europe, the choice in final analysis is either more integration or more disorganization; there can be no real prosperity unless it is shared by all.

FOUR COOPERATIVE PROJECTS

While the Paris committee rightly discounts the prospect of an early integration of the productive resources of the member countries through the creation of customs unions, at the same time it agrees that in certain fields collective action is an immediate possibility. Four examples are cited. First, it is stated that "a series of projects is being developed for common planning of the exploitation of new sources of electrical power."[41] Such a scheme is projected for the development of hydroelectric resources of the Alps. Second, it is proposed that the participants seek to increase the efficiency of production by encouraging the standardization of certain types of equipment, as for example, freight cars, mining and electrical machinery. Third, more efficient use of freight cars through pooling is rec-

38. For details, see CEEC *General Report* (Washington, Department of State), vol. I, chap. iii.

39. *Ibid.*, pp. 26-37. For similar comments, see Bank for International Settlements, *17th Annual Report* (Basle), p. 9.

40. *General Report*, cited, p. 34.

41. *Ibid.*, p. 38.

ommended. Finally, the high cost of installing steel production capacity has led to an interchange of information by steel producing countries regarding their programs of modernization and extension so that each country may take account of the plans made by others.

At best, however, these measures constitute only a small beginning, particularly when contrasted with the extent to which a large part of the investment and output of European industry was coordinated and regulated before 1939 by international cartels. So extensive was the development of cartels in pre-war Europe that some proponents of continental federation looked upon them as an appropriate institution to achieve economic unification, provided their operations were controlled in the public interest. "The producers," Edouard Herriot wrote in 1930, "have long since recognized a necessity which politicians are just beginning to see."[42]

After making allowance for mutual aid, the report sets forth a substantial list of import requirements without which the four-year production plan cannot succeed. These imports are to be obtained largely from the United States, with the result that the total deficit with this country for the period 1948-51 will amount to $15.81 billion. For the same period, the deficit with the remainder of the American continent is estimated at $5.97 billion. The aggregate needs thus are $21.78 billion, or $22.44 billion, if the projected imports of dependent territories are included.[43] It is indicated, however, that imports of equipment amounting to $3.13 billion for the four-year plan might be financed by the International Bank. Moreover, a tentatively estimated surplus of $2.81 billion with other nonparticipating countries is considered possible. But this cannot be used to cover the dollar deficit of CEEC members unless there is a sufficient flow of dollar exchange to the nonparticipating countries.

The projected imports, however, will not permit a return to the pre-war standard of living. The committee has had to take account of the world-wide shortage of foodstuffs, and the increased dependence, therefore, on this country as a source of supply. But the actual deficit in the period covered may well exceed the committee's estimates, since the latter are based on the questionable assumption of a "substantial and steady resumption of Eastern European food, feeding-stuffs, and timber supplies."[44]

Finally, a significant feature of the four-year production plan is the part which western Germany is expected to play. The American government has all along contended that there must be a recovery of production in the occupied zones if Europe is to be prosperous. The plans to increase Ruhr output, already mentioned, are intended to reduce and eventually eliminate the occupation costs now being met by London and Washington. But they have also been worked out in terms of the need of Western Europe for more German coal, machinery, and so forth. High State Department officials have said in effect that the economic recovery of Germany is the heart of the Marshall proposal.[45] In their deliberations, the CEEC studied the German problem, and those members which had been at war with the Hitler regime accepted in principle the thesis that European recovery requires a larger volume of production in the occupied zones. "Other Western European countries," it is stated, "cannot be prosperous as long as the economy of the Western Zone is paralysed, and a substantial increase of output there will be required if Europe is to become independent of outside support."[46]

COMMUNIST ATTACK ON MARSHALL PLAN

International politics has unquestionably complicated the formulation of a European recovery program, both with respect to the future economic position of Germany and the probable course of East-West trade. The Soviet Union and its neighbors in Eastern Europe have not only rejected the American offer, but have gone further and declared their intention to oppose the Marshall plan in every possible way. On October 5 the Communist leaders of nine European countries issued a statement in which American policy was labelled "dollar imperialism." To mobilize resistance to our aid program, an "Information Bureau" (Cominform) has been set up in Belgrade.[47]

To translate this threat into action, however, the Communists will undoubtedly rely in the main on obstructionist tactics by the party membership in Western Europe. In this connection, it appears that the current wave of strikes in France and Italy is part of a concerted drive to block the European Recovery Program. For while it is true that French and Italian workers have a legitimate grievance because of their low standard of living, demands for higher wages can be met only at the expense of further delay in achieving financial and monetary stabilization — a *sine qua non* of any

42. Edouard Herriot, *The United States of Europe* (New York, Viking, 1930), p. 110. He considered continental federation the only answer to the problem of cartels.

43. *General Report,* cited, p. 54.

44. *Ibid.,* p. 43.

45. Felix Belair, Jr., "Revitalized Ruhr Termed the Heart of Marshall Plan," *New York Times,* August 12, 1947.

46. *General Report,* cited, Appendix B, p. 70.

47. *New York Times,* October 23, 1947.

is the further consideration that long before 1939 the economic position of Europe, particularly the United Kingdom, had been undergoing a relative decline. In short, there are both old and new problems to be solved in planning reconstruction and development.

An important long-term factor in the present plight of Europe is the failure in the past to effect a satisfactory adjustment to the changing pattern of world trade and industry. The nineteenth century network of international commerce had been centered upon the northern and western countries. Following the lead of Britain, these nations became highly industrialized, achieving the position of "the world's workshop." Although France retained a nearly balanced agro-industrial economy, the others in varying degrees increased their dependence on foreign markets, both as a source of food and raw materials—without which they could not have achieved such a high level of output—and as an outlet for manufactures and services exchanged for these imports. Elsewhere in Europe, the predominance of agrarian pursuits remained largely unchanged; markets for surplus grain and other farm products increased as the population of the industrial areas became more and more urbanized. Thus, within Europe and in transactions with other continents, an intricate pattern of trade was developed on the basis of territorial division of labor. While this trade pattern enabled the industrial countries to enjoy a high standard of living, their continued prosperity required not only a peaceful, well-functioning world economy but also a high degree of adaptability to meet the inevitable appearance of competition in foreign markets. Other areas of the world, however, notably the United States and Japan, developed a considerable manufacturing enterprise, and the lead originally enjoyed by Europe was thereby cut down. At the same time, the competitive advantages of large-scale grain production in the Western Hemisphere steadily improved, and grain exports to the old world created difficulties for small-scale European farmers.

These trends were accelerated by World War I, which reduced the resources Europe had at its disposal for necessary adjustments to the changing conditions of trade and industry. During the decade following 1919, prosperity was not widespread —in Britain, for example, more than a million workers were constantly unemployed. Such equilibrium as was attained in the world economy proved highly unstable, for it depended to a large extent on a sizeable, but unsteady, export of American capital which was not always constructively invested.[6] Moreover, in 1919 there was little planning for post-war emergency conditions. Interallied action to meet urgent requirements of raw materials and essential manufactures was lacking; faced with acute shortages, most European countries were forced to husband their meagre resources by imposing restrictions on foreign trade. In short, "commercial policy was driven from the outset down the wrong road and never found another."[7]

Although from 1920 to 1929 the general trend of commercial policy was toward the restoration of a trade pattern comparable to that prevailing before 1914, the rise in tariff barriers was almost uninterrupted.[8] The effect of this trade restrictionism, however, was mild in comparison with what happened during the depression of the 1930's when nearly every country imposed isolationist and discriminatory controls. To overcome balance-of-payments difficulties, the industrial countries of Europe encouraged an unsound expansion of farm output —especially cereals—by import curbs and price regulation. In Southeastern Europe, on the other hand, uneconomic manufacturing enterprise was promoted by protectionist policies, while little was done to increase the productivity of agriculture, traditional mainstay of this region.[9] Throughout Europe—and elsewhere—economic policy aimed at greater self-sufficiency, a trend strengthened by international mistrust.

Britain, whose share in world trade was larger than that of any other country, maintained more or less unchanged its traditional regime of freer trade until 1931; but this was not a symbol of economic power, for Britain's relative position as an exporter had steadily declined. Tariff protection and exchange depreciation of sterling improved somewhat the balance-of-payments situation; however, in 1938 British exports (by quantity) were still two-fifths below the 1913 volume, while imports were greater by 25 per cent. Throughout the interwar period, the larger purchases abroad were made possible by the increasingly favorable rate at which exports were exchanged for imports, and—after 1930—by a drain on overseas investments to

6. The burden of war debts and reparations made the achievement of lasting stability and balance all the more difficult; the outflow of American capital, however, partly offset this handicap.

7. League of Nations, *Europe's Overseas Needs, 1919-1920, and How They Were Met* (Geneva, 1943), p. 48.

8. *Ibid., Commercial Policy in the Interwar Period,* 1942; O. Delle Donne, *European Tariff Policies* (New York, Adelphi, 1928); and Leo Pasvolsky, *Economic Nationalism of the Danubian States* (New York, Macmillan, 1928).

9. Royal Institute of International Affairs, *South-Eastern Europe, A Political and Economic Survey* (New York, Oxford University Press, 1939); and *ibid., Agrarian Problems from the Baltic to the Aegean,* 1944.

close the gap in the balance of payments.[10] The growth of industry and income in other countries had not increased British exports proportionately.[11] One reason for this was the rising tide of protectionism abroad; but another important factor was the failure of British industry to maintain its competitive efficiency through modernization.[12]

As a result of the 1931 British tariff policy and the modifications which other nations made in their foreign trade controls during the great depression of the 1930's, a substantial change was wrought in the pattern of European—and thus of world—commerce. Not only was there a decline in the volume of total trade; there was also an important change in commercial relationships. The system of offsetting trade balances through triangular and multilateral commerce, which had been developed over the course of several decades, was seriously crippled.[13] Confronted with a growing problem of idle resources, governments increased the protection given home producers; at the same time a determined effort was made to maintain exports through bilateral agreements, and—where possible—through the promotion of regional trade. Directly and indirectly, the restrictive measures reduced trade balances between countries, and in the process the routes by which transfers had been effected between debtors and creditors were altered. Whereas such international payments had hitherto been accomplished in a roundabout way, involving trade with and between several countries, many of these transactions were now made directly between the two nations concerned. Thus, the United Kingdom, France, Belgium, and the Netherlands had an aggregate favorable balance of $602 million in trade with their dominions and overseas territories in 1928—even though a large part of the income on foreign account of the mother countries came from investments in these areas; but in 1938, they had an unfavorable merchandise balance of $686 million with their empires. The income due them as creditors was therefore collected in large part directly.[14] As a result, intra-European trade was also affected.

10. G. D. A. MacDougall, "Britain's Foreign Trade Problem," *Economic Journal* (London), March 1947, pp. 79-80.

11. *Ibid.*, p. 82.

12. The volume of domestic investment—the point of growth and improvement in an economy—was not on a sufficiently large scale. It may well be that even though the export of British capital after 1919 was less than before the war, the outflow was at the expense of a more efficient home industry. According to the Macmillan Committee on Finance and Industry, London financial institutions were in some respects "more highly organised to provide capital to foreign countries than to British industry." See Cmd. 3897 (1931), p. 171.

13. League of Nations, *Europe's Trade* (Geneva, 1941), pp. 36-37.

14. *Ibid.*, p. 36.

In short, economic policy in Europe after 1930 increasingly emphasized employment rather than productivity, domestic stability rather than the gains of foreign trade, and consumer demand instead of savings and investment. The outcome was a greater degree of state intervention and more intense economic nationalism. But apart from Germany, where the production of armaments was greatly expanded, success in solving the problem of employment was not noteworthy. As late as 1939, in some of the leading democratic nations the percentage of the working population lacking employment was disturbingly high.[15] Accordingly, a considerable loss of production occurred in the free world. This is one reason why the victims of Nazi aggression were so poorly prepared to defend themselves.

IMPACT OF WORLD WAR II

The conflict of 1939-45 was the third major catastrophe in a single generation for Europe; within the compass of twenty-five years the cycle of events was that of war, followed by an unstable recovery, a prolonged depression, and another war. Twice German aggression has been successfully resisted, but this time the price paid for the victory has been tremendous—never in modern history have there been such destruction and disruption of economic life in Europe as since 1939. For Britain, losses sustained during the war are estimated at not less than 25 per cent of that country's national wealth;[16] other European nations experienced comparable declines in their assets, and in some instances—Poland, Greece and Italy—the damage wrought was even larger.[17]

In considerable part, this undermining of the productive capacity of Europe was the direct result of the operations of competing military forces, particularly Allied aerial bombardment aimed at transport and other facilities serving the German high command. But aside from this loss, the whole system of production and distribution had been distorted by the Nazi invaders, who sought to exploit systematically the resources of their victims and thus increase Germany's military potential. In the process, working capital was drained away. The most crippling blow to European economy, however, was the eventual breakdown of the transport network because of military losses and destruction,

15. D. B. Copland, *The Road to High Employment* (Cambridge, Harvard University Press, 1945), p. 5n.

16. A. C. Pigou, "1946 and 1919," *Lloyd's Bank Review* (London), July 1946, p. 13.

17. UN, *Preliminary Report of the Temporary Sub-Commission on Economic Reconstruction of Devastated Areas*, A/147 (Lake Success), October 26, 1946.

sound recovery plan. Instability and inflation aid the Communists by undermining the middle class and thereby accentuating the contrast between rich and poor. Moreover, the fact that wages rarely rise as fast as prices engenders more discontent among the workers. In short, the worsening of the monetary situation is a serious threat to social and political stability.

Another weapon in the armory of the left-wing extremists is the contention that the CEEC members are compromising their sovereignty by participating in the American program.[48] This argument, however, is offset in part at least by the belief of many Europeans that a Communist-dominated government would not be entirely free of foreign influence. What is perhaps the most fruitful line of opposition is the assertion that the primary aim of the Marshall program is a revival of German productive power ahead of general European recovery.[49] But if the demand of the French government that reconstruction of the Lorraine steel industry take precedence over that of the Ruhr is granted, which seems likely, fear of a resurgence of German military might will be considerably allayed.

Finally, the Communists of Eastern Europe may reduce their trade with the West. Actually, however, the volume of such commerce continues much below the pre-war level. Devastation during the war, subsequent land reforms, and adverse weather have retarded the recovery of production, and thus automatically limited the surpluses available for export. Long before the Marshall proposal was made, Eastern European trade had been largely directed toward the U.S.S.R. One exception is Czechoslovakia, which has maintained a substantial and favorable trade balance with the West; but this situation will be changed by the provisions of its new commercial pact with Moscow.[50] Henceforth, it is reported, almost the entire output of Czech machinery and other reconstruction items will be sold to the Soviet Union. The objective, according to government spokesmen, is to make the Czech economy depression-proof.[51]

48. On October 31 spokesmen for the CEEC submitted an aide-memoire to the State Department, suggesting that cooperation be effected in such a way that this country could not fairly be charged with interfering in internal affairs of the European nations. *New York Times,* November 1, 1947.

49. It should be noted, however, that this attack is not likely to be completely successful, since the terms of a German peace treaty as advocated by Moscow include a strong central government and a level of industry which is actually higher than that proposed by the Western powers.

CONCLUSION

However well devised, the Marshall proposal is not the final solution to the problem of European recovery; rather it is the beginning of a constructive policy which will require further implementation. A reasonable equilibrium in the world distribution of productive power has been lacking since before 1914; as the result of the events of 1939-45, the international economy has been further distorted. Only in the Western Hemisphere is there an aggregate surplus of production, while the Eastern Hemisphere is a deficit area even for the bare necessities of life. The supreme task of economic statesmanship, therefore, is not limited to bridging this gap in the present emergency; substantial results will be achieved only when the necessary conditions for long-range balance and stability have been created. These include continued, and more generous, support of the principles of the proposed ITO charter, in the development of which the United States has played a leading part. Pending the adjustment in foreign trade to coincide with our creditor status, the outflow of private capital must be resumed to provide dollar exchange and at the same time to promote economic development abroad. Only in this way can the United States be a stabilizing factor in the world economy; the alternative is a repetition of what happened in the interwar period.

50. See *New York Times,* November 2, 1947.

51. *Ibid.,* December 5, 1947. The impending trade shift, according to some observers, is really a part of the Soviet counter-offensive against the CEEC plan. See *ibid.,* December 7, 1947.

In the January 1 issue of FOREIGN POLICY REPORTS:

BRITAIN'S ECONOMIC PROBLEMS *by Grant S. McClellan*

The Impact of Foreign Aid on U. S. Economy

By Harold H. Hutcheson and Ona K. D. Ringwood

In the opinion of the President's (Harriman) Committee on Foreign Aid, the United States can wisely undertake a foreign aid program costing about $5.75 billion for 1948, which in over-all terms "would not even require the maintenance of present rates of exports."[1] It is noted, however, that the problem of a "supportable" program must be examined with reference to particular markets for particular commodities. When this is done, it is found that supply will be a limiting factor in several cases. Many European requirements, even after they have been scaled down to allow for a slower, more feasible rate of capital formation, cannot be fully met. Such items include those for which the demand is greatest—food, feed, fertilizer, steel and steel-making materials, most types of machinery and equipment, and certain basic raw materials (e.g. cotton).

FOOD SUPPLY PROBLEM

In terms of the probable repercussion on the American economy, the supply of food is the most crucial factor in the situation, both here and abroad. To meet what are admittedly minimum needs for food and fertilizer, the CEEC plan calls for imports from this country totaling $1.5 billion in 1948. As late as 1951, food purchases here totaling $1.2 billion are assumed. For 1948, grain supplies from the United States are put at 9 million tons, with 16 million tons to come from other sources. Even if this quantity were available, Western Europe would still be short some 10 million tons, since the total estimated need is 35 million. But while the voluntary rationing program now in force may permit the shipment of about 9 million tons of grain to Europe in the current year, only a most favorable crop in 1948 would enable this performance to be repeated. The 1947 corn yield was less by 900 million bushels than that of 1946, with the result that until recently a large amount of wheat was diverted to livestock feeding. Moreover, the fall drought may well reduce the winter wheat crop (normally two-thirds of the yearly harvest), and in that event a part of the current supply of grain might have to be withheld to cover vital requirements next year.[2] In short, record American exports of grain have been made possible by unusually favorable weather for the past four years. Should there be only average weather for both wheat and corn in the next three years, our grain exports to all destinations are unlikely to exceed 10 million tons, not all of which would be available for Europe.

The present dependence of the CEEC members on the United States for food supplies is, therefore, a highly precarious arrangement. It must be reduced speedily by increased farm production in Europe and elsewhere. With this objective in view, the Department of Agriculture is developing a plan to provide farm equipment, seeds, fertilizer and technical advice to overseas producing areas. World population has increased some 200 million since 1938, but food production has declined. According to the Herter committee, "it appears doubtful if actual famine levels can be avoided in some areas, and in others the probable calorie level will not be conducive to economic rehabilitation or political stability."[3]

THE WAGE-PRICE SPIRAL

Whether food exports from this country since the war have caused food prices to remain high is debatable. The Harriman report, however, contends that large foreign shipments during 1946 and the first half of 1947 prevented an anticipated decline in agricultural prices, "while the recent rise in foreign requirements, coupled with short supplies, has skyrocketed the food market."[4] Since food is the most important item in the family budget, rising prices bring quick demands for higher wages. Already, two major wage adjustments have been made, and these have been followed by advances in industrial prices. Yet another turn of the wage-price spiral may be in the offing, for on December 2 the CIO announced that it would seek "substantial" pay increases.

In his message to Congress on November 17, President Truman outlined a program to curb inflation. As yet there is no certainty that his request for controls will be approved. On the contrary, it has evoked considerable criticism, especially in Republican circles. The national interest, however, will be gravely endangered if the issues involved are decided on the basis of party politics. Unless a stable and orderly domestic economy is maintained, the effectiveness of American foreign policy will be seriously undermined.

1. *Report of the President's Committee on Foreign Aid* (Washington, November 1947), p. 8.
2. *Ibid.*, p. E3.
3. House (Herter) Select Committee on Foreign Aid, *Grain Requirements and Availabilities* (Washington, 1947), p. 1. See also, International Emergency Food Council, *Report of the Secretary-General to the Fifth Meeting of the Council* (Washington, October 1947), p. 2, where it is noted that "food production this year has declined in areas which, in any event, would be heavily dependent on imports while food production has increased in areas where much of the increase is not readily available for export." Hence, it is estimated that the volume of world trade in food must be 20 per cent larger than last year to maintain the 1946-47 relative levels of consumption.
4. *Report of President's Committee*, cited, p. N6.

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The White House *September 25, 1943*

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U.N. SETS STAGE FOR DEVELOPMENT OF TRUSTEESHIP AREAS

MANY observers were surprised and encouraged by the achievements of the second session of the UN Trusteeship Council which adjourned on December 16. Now supervising the administration of 15,000,000 people in ten trust territories ruled by six colonial powers, the Council attained additional prestige as a result of authority conferred upon it by the General Assembly whose meetings terminated on November 30. The Assembly authorized the Council (1) to draw up plans for an international regime for a new trust territory of Jerusalem, and (2) to examine the report submitted by the Union of South Africa concerning the former mandated territory of Southwest Africa. The latter grant of authority is significant because South Africa has failed to abide by two Assembly recommendations to place Southwest Africa under trusteeship; its reports, therefore, would not normally be subject to examination by the Trusteeship Council.

EWE COMPROMISE. The work of the Council, which will meet again in February to discuss the proposed statute for Jerusalem, is a striking illustration of both the potentialities and limitations of the UN. Although the Council can only make recommendations, it does serve as an effective channel for bringing the pressure of world opinion to bear on colonial problems. A good example of its work is the resolution unanimously adopted on December 15 to remedy some of the grievances of the Ewe people French Togoland, British Togoland and the Gold oast, who petitioned for unification of these three as under a single trusteeship administering au- ty to be chosen by popular plebiscite. The Ewes he distinction of being the first colonial people send a representative, Sylvanus Olympio, to eir petition in person before the UN.

uncil did not do what the Ewes wanted, but it did approve a joint British-French proposal to eliminate economic, fiscal and cultural barriers causing hardship to the divided Ewe people. It further held that these measures were only an "initial effort," and that the Council would re-examine the problem when it gets the report of its visiting mission which will be sent to the area, probably in 1949. The 1948 mission will visit the British trust territory of Tanganyika and the Belgian trust territory of Ruanda-Urundi in East Africa. The Council also obtained assurance from the French government that meetings and assemblies of the Ewe people "will not, shall not and cannot be forbidden or repressed." Questions asked by Council members on this matter were particularly pointed because French authorities had banned an Ewe meeting at Palimé shortly before the Council met.

ONE ADMINISTRATION OR TWO? China's delegate, Liu Chieh, called attention to general agreement in the Council that (1) the Ewes are a distinctive people with a common culture, language and customs, (2) the population in the area is predominantly Ewe, and (3) Eweland was partitioned without regard to the wishes of the people. He then proceeded to point out that placing the Ewes under

EUROPEAN RECOVERY PROGRAM

For background information and facts on which Congress must base its decisions about ERP, read:

BRITAIN'S CRISIS AND AMERICAN AID January 1
by Grant S. McClellan

EUROPEAN RECOVERY PROGRAM December 15
by Harold H. Hutcheson

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1948

separate administrations with different fiscal and educational systems was contrary to the Charter in so far as it retarded rather than promoted Ewe progress toward the Charter objective of self-government or independence.

The Council, however, did not recommend an early unification for Eweland. While calling the projected reform an "initial effort," it was unable to agree on using the phrase, "an initial effort toward unification." United States representative Benjamin Gerig sought a statement from the administering powers to this effect, but French delegate Roger Garreau responded in the negative. Garreau even questioned the competence of the Trusteeship Council to recommend a change of frontiers, whereupon the American representative promptly cited two precedents for such action—cases in which the Permanent Mandates Commission of the League of Nations had successfully recommended frontier modifications.

These discussions illustrate the limitations of an organization of sovereign states in which national pride and reputedly vital interests are at stake. The surprising fact is that the French conceded as much as they did. For the crux of the Ewe question is that the Ewes want British trusteeship. Their representative carefully avoided committing himself to this goal, but the ultimate aim of Ewe leadership is self-government in a union with the Gold Coast. Unification under British trusteeship would benefit the Ewes because the Gold Coast is the richest colony in the area; it has numerous secondary schools, in sharp contrast to neighboring French colonies; and it may become the first colony in tropical Africa to attain self-government.

WESTERN SAMOA AND SOUTHWEST AFRICA. In addition to the Ewe recommendations, two other achievements of the Council are worthy of special mention. On December 5 it resolved that the people of Western Samoa, a trust territory administered by New Zealand, should be granted increased self-government, and should be accorded full self-government as soon as the people "are capable of assuming the responsibilities involved." This resolution was based on a comprehensive report presented to the Council by a three-member special mission sent to Western Samoa in July and August.

Indirect aid to colonial peoples was given by the Council through its discussion of the report submitted by the Union of South Africa on the former mandated territory of Southwest Africa. By a vote of 10 to 0, with Belgium abstaining, this report was termed incomplete and the Union was invited to submit additional information before June 1948 when the Council will hold its next regular session. A list of fifty pertinent questions about racial segregation, discrimination and other problems was submitted to the Union government. South Africa had declined an invitation to send a representative to participate in this discussion, but had assured the Council it would provide written answers to requests for further information.

ATMOSPHERE OF HARMONY. Despite divergent views between representatives of colonial and non-colonial powers, a constructive and harmonious atmosphere characterized the Council meetings. Most of the members were fatigued from several months of uninterrupted toil because, in addition to their duties on the Trusteeship Council, they had served on the General Assembly's trusteeship committee. Yet they tackled each problem as thoroughly as circumstances permitted. Nor did the administering and nonadministering powers split into two camps. On the Ewe issue some of the most effective questioning of Britain and France was undertaken by the United States and New Zealand. In general, Belgium, France, Britain, and Australia were the leading advocates of the *status quo*. New Zealand and the United States, the other two administering authorities, took a middle position. Most active in upholding the point of view of colonial peoples were China, Iraq and Mexico, with China the most effective of the three. Costa Rica and the Philippines, new members of the Council, have not yet played an active role.

RUSSIA STILL ABSENT. The twelfth member, Russia, continues to boycott the organization, protesting that the trusteeship agreements allow military bases in trust territories and do not define, in accordance with the Charter, "states directly concerned" in the negotiation of the agreements. Observers had speculated that the Russians might take their place at the Council table this session because the Soviet Union had played an important part in the Assembly discussion of a report from the Council, and had announced its willingness to accept Trusteeship Council supervision of an international regime for Jerusalem. Absence of the Russians, however, has not impeded the Council's work. Since the delegates have not split into two groups, the presence of the Soviet Union has not been essential to maintain the balance between administering and nonadministering authorities provided in the Charter.

The Council's success has indirectly thrown light on a long-standing controversy as to the nature of its membership. In some circles the view has been expressed that the Council should have been organized along the lines of the Permanent Mandates Commission which was made up of specialists owing no official allegiance to any nation. Those of this view feared that the official r

of member states on the Trusteeship Council would inject national rivalries into discussions of colonial problems, and would be unable to accomplish Charter aims. The Council's record to date justifies the defenders of the present system, who feel that official representation gives the prestige necessary to lend weight to Council recommendations.

VERNON MCKAY

HOW WILL DEBATE ON CHINA AFFECT MARSHALL PLAN?

The problem of deciding what to do, or not to do, in China is likely to be one of the major foreign policy issues of 1948. On this question Secretary of State Marshall and a minority group in Congress, mostly Republican, find themselves in at least temporary conflict. Both the Administration and these Congressional critics, led by Representative Walter Judd, Republican, of Minnesota, agree in their desire to bolster the power of Generalissimo Chiang Kai-shek, whose armies are suffering new setbacks in Manchuria, North China and the Yangtze valley. But differences exist on China's role in American foreign policy and, correspondingly, on the degree of aid to be given to the Nanking government at this time.

CHINA AND THE MARSHALL PLAN. The Administration's strategy abroad is to give overwhelming priority to the Marshall plan for the countries of Western Europe. By contrast, Congressional advocates of large-scale aid to Nanking are recommending, in effect, that Europe's priority be lessened through greater emphasis on China. The implications of the two positions are of the greatest significance, although not necessarily apparent at first glance.

In theory an effort could be made to give new, extensive aid to the Chinese government without reducing the total requested by President Truman for the sixteen Western European nations. But this is not the way the issue is likely to work out in practice. In what must be regarded as a preliminary, although imperfect, test of Congressional opinion on the Marshall plan, the recent special session of Congress cut the Administration's proposed total of $597 million interim aid for France, Italy and Austria to $522 million and included an unrequested token sum of $18 million for China. It seems probable that the appropriation of really large sums for China would have a much sharper effect on allocations for Europe under the Marshall plan.

The proponents of further large-scale aid to anking have sought to minimize the amounts re- ired to achieve their objectives in China. They e taken the position that an expansion of the nt American military mission, the delivery of nal surplus military equipment, and the ex- e of a small fraction of the total suggested ern Europe—perhaps a billion dollars or three-year period—would bring victory n the civil war with the Chinese Communists. But the ineffectiveness of past American aid to Chiang as well as recent American experience in Greece indicate that this could hardly be the result. If the Administration is already discussing the question of further appropriations for Greece, where a guerrilla force of some 20,000 men has grown stronger despite the fact that a one-year program involving $300 million is well under way, it is evident that in China, where there are considerably more than a million Communist regulars and several million militia auxiliaries, the disbursement of many times this sum could be nothing more than one installment in a mounting long-term obligation.

If foreign aid is thought of simply as a matter of appropriating dollars, the conflict between the Marshall plan and a massive China program may seem obscure. But if the idea is firmly grasped that Congress is really being asked to appropriate goods and services—cotton, machinery, coal, shipping, wheat, petroleum, and so forth—then it is plain that the American economy has its limits. The Administration, therefore, has reason to doubt, both politically and economically, whether the commitments involved in the China program proposed by the Congressional minority could be carried through. It also fears that if large sums were deducted for China from what otherwise might go to Western Europe the result might be a failure of its European policy.

MARSHALL AND CONGRESS. The differences between the Secretary of State and the China minority in Congress are quite complex. Party conflicts, Congressional voting problems, and the Administration's concern about the future of the Nanking government all color the situation. For example, if the Secretary of State and his China critics reached a deadlock, the reluctance of the Republican Congress to vote funds for Europe might increase. Apart from this, the Administration's own actions on China make it difficult for it to argue with its Congressional opponents in public.

Secretary Marshall himself wanted the Export-Import Bank to appropriate $500 million in loans for China last spring and was unsuccessful only because the Bank insisted on rejecting the proposal as too poor a risk. More recently, in November, he announced that the Administration would ask Congress to appropriate $300 million for Nanking, to cover the fifteen-month period from April 1, 1948 to June 30, 1949. Reports from China, apparently reliable but not confirmed publicly in Washington,

indicate that an expansion of the activities of the American military mission has been quietly under way. Wishing to give Chiang limited aid—perhaps amounting to a delaying action north of the Yangtze area and a holding action elsewhere and in Formosa—the executive side of the government does not relish the thought of explaining the reasons for not giving more. The Administration also finds itself on the spot when asked why the Truman Doctrine should not now be applied with the same vigor in China as in Greece, for an answer might have the effect of weakening a major tenet of current foreign policy.

EXTENSIVE DISCUSSION NEEDED. The Administration is expected to present a China aid program to Congress early in the new year. It is desirable that the ensuing debate be accompanied by widespread public discussion of the issues. It would be particularly beneficial if the debate produced as exact and authoritative answers as possible to questions such as the following: Precisely how much aid has the United States given Nanking since V-J day? What results have been achieved through each item of aid? What changes in the China situation are envisaged as a result of new aid proposals? Is further aid likely to be sought after this appropriation, if granted? But it is not enough to approach the aid problem simply from the point of view of its effectiveness. It is also necessary to ask what influence further assistance to Nanking would have on the attitude of the Chinese people, who are desperately anxious to find a way out of civil war. The Nanking government, it should be borne in mind, enjoys little popular support in its own areas. The international risks of increased intervention in China also require most careful examination, since China offers potentialities for Soviet-American conflict that could make Greece look like a model of international goodwill.

LAWRENCE K. ROSINGER

F.P.A. BOOKSHELF

The Record of American Diplomacy, edited by R. J. Bartlett. New York, Knopf, 1947. $6.00

This presentation of key documents of American diplomacy may be used as a supplement to standard history texts in American foreign policy or as a collection of readings which, with the aid of the editor's short notes, tells the story of this country's relations abroad from the Colonial era through World War II.

Empire in Green and Gold: The Story of the American Banana Trade, by Charles Morrow Wilson. New York, Holt, 1947. $3.50

An account of the United Fruit Company, an enterprise which purveys half of all bananas in international trade and, to Central Americans, is synonymous with the United States. A good case is made for its beneficial influence in the development of the area.

The United States, by Avery Craven and Walter Johnson, New York, Ginn, 1947. $5.00

A straightforward account of American history from our colonial beginnings through Hiroshima. The text is illustrated with helpful maps, reproductions of interesting cartoons as well as many useful photographs.

Complacent Dictator, by Sir Samuel Hoare. New York, Knopf, 1947. $3.50

In this extremely interesting account of wartime British strategy in Madrid, the former Ambassador concludes that the sooner Franco disappears, the better it will be not only for Britain, but for the whole of Europe. He believes that only the restoration of the monarchy as a symbol of "continuity and unity" can save Spain.

Towards World Prosperity, edited by Mordecai Ezekiel. New York, Harper, 1947. $5.00

A useful world survey of post-war economic conditions and prospects, with an excellent commentary by the editor on the problems of further industrialization.

Will Dollars Save the World? by Henry Hazlitt. New York, Appleton-Century, 1947. $1.50

The author rejects the idea that Europe's present economic difficulties are largely the result of the destruction wrought during the war. The main obstacles to recovery, he contends, are the policies now being pursued by European governments.

The Keynesian Revolution, by Lawrence R. Klein, New York, Macmillan, 1947. $3.50

A thorough study of the origins, development and influence of the economic ideas of the late Lord Keynes. The writer is an enthusiastic supporter of the Keynesian thesis that there has been oversaving and underconsumption.

Man and the State, edited by William Ebenstein. New York, Rinehart, 1947. $6.50

"The purpose of this book," the author states, "is to present the major ideas that have animated the political thinking of the Western world in the modern age." This he achieves by selections from well known theorists like Locke, Jefferson, Mill, Hegel and Marx. But what makes this series of readings most useful is the inclusion of many excerpts from books and speeches of recent political leaders and trenchant comments on the contemporary scene from thinkers such as John Dewey, Maritain, Fromm, Laski, Cohen and Niebuhr.

The British Commonwealth and World Society, edited by Richard Frost. New York, Oxford University Press, 1947. $4.25

The British Dominions are increasingly faced with common problems about trade, colonial affairs, migration, race and the UN, which give rise to cooperative attempts their solution. Such subjects are surveyed in this b —the proceedings of the third unofficial conference British Commonwealth relations sponsored by the v ous Institutes of International Affairs of the se Dominions.

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VOL. XXVII, No. 14 JANUARY 16, 1948

ADMINISTRATION AND COST OF ERP HOTLY DEBATED BY CONGRESS

WASHINGTON—The storm which the European Recovery Program is now encountering in Congress broke as quickly as critics of the plan predicted and is even more violent than its advocates anticipated. The objectives of the ERP are not themselves under attack, since Congress is generally agreed that it is desirable for the United States to help reconstruct Europe and strengthen it against Russian pressure. There is bitter controversy, however, over two aspects of the program: its administration and its cost. Since the decisions reached on these two aspects will determine the effectiveness of the ERP, the present Congressional debate is as important as though it were concerned with the fundamental purposes of the recovery plan.

WHO SHOULD ADMINISTER ERP? The question of how to administer the ERP has intensified the struggle between the Executive and Congress over the direction of foreign affairs in an election year. As seen from the point of view of the White House and State Department, the ERP should be controlled by an executive agency under the responsible direction of one man who would be subject to the guidance of the Secretary of State in so far as his activities touch upon foreign affairs. A proposal to this effect was made by President Truman when he laid the plans for the ERP before Congress on December 19, and Secretary Marshall emphatically requested its adoption when he appeared before the Senate Foreign Relations Committee on January 8. The operation of the European aid program must be related to American foreign policy as whole, Secretary Marshall declared, warning that the establishment of a new agency to administer the ERP would lead to an unfortunate situation since "there cannot be two Secretaries of State."

Some Republican members of Congress, by contrast, have proposed the establishment of a special corporation, directed by a bipartisan Board of Directors, to administer the recovery plan. Under the leadership of Representative Christian A. Herter of Massachusetts a plan has been devised for the creation of such a body, which would report directly to Congress. This arrangement, according to its proponents, is needed not only to make certain that American aid will be administered efficiently abroad, but to guarantee that the interests of the American economy will be balanced against the needs of foreign countries.

That the Herter proposal probably will not be adopted was indicated when the Republican Chairman of the House Committee on Foreign Affairs, Charles A. Eaton of New Jersey, flatly opposed this suggestion as a violation of the President's constitutional powers over foreign affairs. Failure of this particular plan, however, will not mean an end to Republican efforts to insert certain other requirements concerning administration of the program in the ERP legislation. On January 9 Senator Arthur H. Vandenberg, chief Republican supporter of the ERP joined in the demand that "a new element of business responsibility" be injected into the management of the aid scheme so as to assure public confidence in the program. "The American people," the Senator stated, "have a feeling that the administration of foreign grants-in-aid since the end of the war have been pretty sterile of results."

Republican demands for businesslike practices in the administration of the ERP reflect unwillingness on the part of the members of the majority party on Capitol Hill to entrust their political opponents at the other end of Pennsylvania Avenue with implementation of a program which will have incalculable effects on both domestic and foreign policy. In per-

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haps equally great measure, however, these requests express the general disillusionment prevailing throughout the country as the optimistic promises which accompanied the Administration's requests for post-UNRRA aid and emergency assistance to Greece and Turkey have proved increasingly hard to fulfill.

But whatever the reasons for Congressional demands for a truly efficient conduct of the ERP, it is difficult to see how such an administration could be guaranteed by legal provisions alone. What is needed most is that the executive and legislative branches agree as soon as possible on the particular men who will head the ERP after it has been established. For once men with reputations as efficient executives have been selected for this purpose, some of the qualms Representative Herter, Senator Vandenberg and other Congressional leaders now feel in connection with the administration of the ERP may disappear. The Republicans, however, are divided on the ERP, and right-wing members of the party are expected to attack other points of the program.

OVER-ALL FIGURE CHALLENGED. Another source of Congressional controversy over the ERP is the cost of the program, both during the entire projected four-year period and during the initial fifteen-month term. President Truman and the State Department, conscious of the economy-mindedness of the Eightieth Congress, began to whittle down the proposed cost of the ERP even before they were obliged to do so. As early as last summer, when the sixteen European nations were reported to be estimating their four-year needs for outside aid at $29 billion, the State Department hastily informed the conferees that this figure was beyond the bounds of possibility. When the original figure was accordingly reduced to $21 billion by the European delegates, American representatives again suggested a reconsideration of this sum, with the result that the amount was finally placed at somewhere between $15.1 and $17.8 billion

In making these reductions some of the European economists were frankly convinced that they were destroying part of the vital underpinning of their proposed structure, but they felt obliged to take this risk. The Truman administration, having secured what it believed a reasonable over-all figure, proceeded to ask Congress, on December 19, for an authorization of $17 billion for the full four-year period. Now, however, after being warned by Senator Vandenberg that any mention of this large amount would encounter strong opposition in Congress, the Administration has abandoned a specific long-term figure and merely requested $6.8 billion for the period from April 1, 1948 to June 30, 1949.

From the point of view of political tactics in Congress, the Administration's retreat from the $17 billion figure may have been sound, for Representative Eaton later declared that he would not have introduced the ERP in the House if it had contained this total. However, this move did not mollify two outstanding critics of the ERP, Senator Robert A. Taft and Representative John Taber, who continue their opposition. In any event, the deletion of the over-all figure should not be judged merely in terms of its influence on Congressional opinion but also by its effect in Western Europe. For in the Marshall plan countries democratic leaders are staking both their program for revived production and their political future on American assistance. Whether these leaders can proceed with any degree of confidence when they are given no minimum assurance that the United States will carry through on the ERP is already an open question. It is regarded, therefore, particularly important in the coming weeks of Congressional debate that the Administration eschew compromises which would further undermine European confidence in the determination of the United States to assist in the recovery of Europe.

WINIFRED N. HADSEL

F.P.A. APPOINTS NATIONAL PROGRAM DIRECTOR



The Foreign Policy Association takes pleasure in announcing that Clarence A. Peters has been appointed National Program Director. Mr. Peters received his B.A. from Parsons College, Fairfield, Iowa, and his M.A. from the State University of Iowa.

From 1940-44 Mr. Peters was a member of the faculty of Northwestern University, Evanston, Illinois, where he acted as Director of University Debating, Director of the National Institute for High School Students, Assistant Director of Radio, and instructor in the School of Speech. During these years he was chairman of the Big Ten Discussion Conference and Business Manager of the Illinois Speech Teachers Association.

In 1944 George V. Denny, Jr. invited Mr. Peters to establish and head a department of research for America's Town Meeting of the Air. He served in this capacity until the spring of 1946 when he was asked by former Governor Harold E. Stassen of Minnesota to help develop a nation-wide program of discussion groups. These discussion groups, the Republican Open Forums, are now active in thirty-eight states. Mr. Peters was executive director of the Re-

publican Open Forums at the time he was appointed to the Foreign Policy Association staff.

Mr. Peters is especially interested in adult education and group discussion. For the past few years he has been active in promoting adult education programs and helping with laboratory and clinical procedures for improving educational opportunities for adults. His experience will be of great value to FPA branches and affiliates in arranging programs of community education in international affairs.

FREE BURMA FACES COMPLEX POLITICAL AND ECONOMIC ISSUES

The movement of colonial peoples toward independence has made new progress with the establishment of an independent republic of Burma on January 4. As crowds surged through the streets of Rangoon, shouting, "We are free, we are free," the parliament of the former British possession ratified a treaty with Britain, dealing with defense, finance, commercial relations, problems of nationality, and contractual obligations arising from the transfer of authority. The Labor government thus pulled down the Union Jack in this country of seventeen million people, an area long lucrative for its rice, petroleum, teakwood, precious stones, and ores, such as lead, silver, tungsten, tin and nickel.

THE ROAD FROM MANDALAY. This is the first time since the American Revolution that a British colony has formally cut all political ties with Britain and the Empire, for even Eire still recognizes a shadowy relationship to the British Crown. In fact, however, Burma is considerably less independent than the American colonies in 1783 or Eire today. On the other hand, Britain has probably attached fewer strings to the freedom of the new republic than the United States tied to the Philippines, which became independent on July 4, 1946.

Burma is of great strategic importance, bordering on India, China, Thailand, Indo-China and the Indian Ocean. It is of continuing military significance for such Far Eastern areas as Malaya and Hongkong, which remain in British hands. These facts are reflected in the defense clauses of the Anglo-Burmese treaty, which provide that, while British troops are to be withdrawn after independence, a British land, sea and air mission shall be sent to Burma. In addition, British military aircraft may fly over Burmese territory in peacetime, and in an emergency Burma shall, by agreement, furnish assistance and facilities for Commonwealth forces. The defense provisions are to be in effect for three years, and after that may be canceled on twelve-months notice by either party.

Before the war British investments in Burma totaled some $200 million, and profits were high. Military destruction and Japanese occupation set Burma's economy back, but some revival has taken place since V-J Day. British firms are once more operating, and Burma hopes ultimately to recover its valuable economic position. The new government wishes to encourage Burmese enterprise, but lacks domestic capital. Britain has agreed to cancel £15 million of Burma's debt, under the independence arrangements. In addition, the treaty provides for the continuance of existing preferential tariff arrangements for the time being and similarly safeguards British economic interests. It appears probable that, at least for some time to come, British interests will continue to dominate Burma's economic life.

BRITAIN'S CHOICE. With local variations, Britain's policy in Burma is cut from the same cloth as its policy in India, where the two dominions of Pakistan and India were created on August 15, 1947. In contrast to the Dutch in Indonesia and the French in Indo-China, the British concluded that a military struggle with colonial nationalism would be a futile undertaking which would drain their resources and exhaust their powers. They therefore decided, in India and Burma, to grant political independence in the hope that this would enable them to retain a significant military and economic position. The clauses of the Anglo-Burmese treaty illustrate the nature of this approach. It is also worth noting that the peaceful surrender of power by the British has created a far more friendly relationship with Burmese nationalists than had prevailed in the past.

BURMA'S PROBLEMS. The new Burmese state will not have easy sailing. The predominant political party is the Anti-Fascist People's Freedom League, a Socialist organization to which most members of the Burmese cabinet belong. The AFPFL was formed during World War II and proved an effective organizer of nationalist sentiment, with a young general, Aung San, as its principal leader. For many months after V-J Day, London sought to use other Burmese groups as counterweights to the AFPFL, but the effort failed because of the League's mass backing.

After negotiations with the British, Aung San became the premier of a provisional government, but in July 1947 he and six of his cabinet ministers were assassinated by gunmen, instigated by Rightist opponents. A Burmese court decided on December 30 that U Saw, a former premier, and eighty other defendants were guilty of participating in or planning the murders.

The AFPFL long included Burmese Communists as an active element, but later expelled them. The Communists are divided into two groups of which one has seven seats in the Burmese parliament of 255 members. The Communists, whose influence in labor circles and some rural areas makes them more

important than these figures would indicate, alone voted against ratification of the Anglo-Burmese treaty, attacking it sharply on the ground that it sacrificed Burmese interests to foreign domination. The issue of the military and economic rights conceded by the AFPFL to Britain will undoubtedly prove a major factor in Burma's explosive politics in the years ahead. If independence turned out to be a matter of form rather than the beginning of a genuine change in Burmese life, the present leaders of Burmese nationalism would undoubtedly lose strength to the Communists.

THE LAND AND ITS NEIGHBORS. At least four out of every five Burmans are peasants, most of whom are hungry for land and relief from high rents and interest rates. It is not too much to say that the government will ultimately stand or fall on its handling of the agrarian problem. Another major question is the restoration of foreign trade, for Burma, which is the world's leading rice exporter, suffered heavily when the Japanese killed large numbers of water buffalo, the country's main draft animal.

U Tin Tut, who is both Minister of Finance and Foreign Affairs, is not a Socialist, but the government is pledged to a policy of nationalization. How far it will be able to go in such a course without running into opposition from British interests, the Indians (who as traders and money-lenders hold about one-fourth of Burma's land), and the Chinese (also an important economic element) remains to be seen. The Burmans have been at the bottom of the economic ladder in their own country, and it will not be easy for them to climb to the upper rungs.

A bare summary of Burma's problems might suggest an unusually gloomy future, but Burma's difficulties are no greater than those faced by most countries on the morning of independence. The achievement of effective stability on a modern economic basis will inevitably take a long time. In addition, the future of Burma, like that of other nations, is intimately tied up with the success or failure of efforts to reduce tension in the world at large.

LAWRENCE K. ROSINGER

F.P.A. BOOKSHELF

Banana Paradise, by Frances Emery-Waterhouse. New York, Stephen-Paul, 1947. $2.75

A rather slight, occasionally amusing, story of the life of a banana planter's wife in Guatemala.

Undercover Girl, by Elizabeth P. MacDonald. New York, Macmillan, 1947. $3.00

Sprightly account of the author's experiences with Morale Operations branch of OSS in China and Southeast Asia.

Jane's Fighting Ships, 1946-47, New York, Macmillan, 1947. $20.00

Textual revisions and replacement of somewhat inferior photographs mark this edition of an annual publication which has come to be considered the last word in naval statistics.

Inside Pan-Arabia, by M. J. Steiner. Chicago, Packard, 1947. $3.00

A summary of Arab history with emphasis on recent events. The author writes from the Zionist point of view.

Minorities in the Arab World, by A. H. Hourani. London, Oxford, 1947. $3.25

A valuable study written by a competent Arab scholar on a subject of growing importance.

History of the Islamic Peoples, by Carl Brockelmann. Translated by Joel Carmichael and Moshe Perlmann. New York, Putnam's, 1947. $6.00

This political history of the Moslem world, originally published in 1939, is an outstanding contribution by a noted German scholar.

Introduction to Iran, by Elgin Groseclose. New York, Oxford University Press, 1947. $3.50

A comprehensive survey of Iranian culture and politics, both past and present, by a former teacher in the mission school of Tabriz, who in 1943 acted as Treasurer General of Iran by Parliamentary appointment.

England, A History of the Homeland, by Henry Hamilton. New York, Norton, 1948. $6.00

A highly readable and well illustrated survey of the entire sweep of British history. It is not the usual chronological text but a topical presentation. Random chapter headings such as, "Food and the People," "The Money Machine," "Economic Imperialism," "Social Security from Elizabeth to Beveridge," illustrate the interesting range of materials.

Is Latin America facing an economic crisis? How was it affected by the war? Can readjustment occur without American help? Read

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December 1948

Dear Fellow Member:

General Marshall has called it "the greatest problem we have to deal with."

It is the problem of helping the American people toward a better understanding of what our country's foreign policy means to us.

This is the job you and we have undertaken as members of the Foreign Policy Association. This letter, then, is by way of a year-end report on how we have risen to that challenge - and of the task that still remains to be done.

In the past twelve months the Foreign Policy Association, its Branches and Affiliates have:

Organized 1,580 meetings with attendance of 419,700.

Produced 88 radio broadcasts aimed at building better understanding of world problems and United States policy.

Circulated 2,114,380 copies of its Foreign Policy Reports, Headline Books, and weekly Bulletin of international news. Thousands of leaders of public opinion are subscribers, including newspaper editors, radio program managers, educators, libraries, government officials at home and abroad.

Made a start at expanding its 36 Branches and Affiliates into centers of broad community education. The Philadelphia, Cincinnati, Pittsburgh, Albany, Cleveland, San Francisco, Dayton and Providence organizations lead the way in this intensification of program.

Received requests from no less than 51 communities which do not have Associations or Councils, but wish to establish them as soon as possible.

Certainly all this is evidence that there is very real concern today in all parts of the country over the course of world affairs. Indeed, the need and desire for a better understanding of United States foreign policy have never been more urgent.

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But the fact is that the F.P.A. can meet these challenging demands throughout the country only if its members support it more generously. Membership dues cover only 34% of current operating expenses. The remainder comes from subscriptions and sales of publications (19%), and from special gifts (47%).

The hard, cold fiscal facts are that deficits in 1946 and 1947 seriously depleted our small reserve fund. Rigid economies in 1948 still leave approximately $12,490 to be covered in this year's budget. The nation-wide expansion of our work depends upon gifts to clear this year and allow for much needed field-work in 1949.

Consider only this:

Because of insufficient funds, your F.P.A. has not been able to launch more than 5 new branches or affiliates in the 51 cities which asked help in establishing a local arm of the Association.

The youth program already tested in five or six communities, with discussion groups and leader-training in colleges and high schools, must be extended across the country.

While four Branches have very successful weekly radio programs on world affairs, this method ought to be used on a broad scale.

Surely we members can take somewhat greater responsibility for an organization with so many important services - especially in a year like this, when wise decisions on Europe and Asia rest primarily upon public understanding of what is involved.

Please make your Christmas or year's end contribution as large as possible. Make it payable to the Foreign Policy Association, and mail it with the enclosed slip filled out for our records. Of course, all contributions to F.P.A. as an education institution, are fully deductible on your federal income tax return.

Most cordially yours,

Wm. W. Lancaster, Chairman

Eustace Seligman, Treasurer

Brooks Emeny, President

P.S. If you have already made a special contribution to F.P.A. this year and cannot give more, please use this letter to interest a friend in doing likewise.

. S. PACKARD COOP-6
FRANK OWENS
P. O. BOX 204
LARCHMONT, N. Y.

FOREIGN POLICY BULLETIN

An analysis of current international events

1918-1949

FOREIGN POLICY ASSOCIATION : INCORPORATED · 22 EAST 38TH STREET · NEW YORK 16, N. Y.

VOL. XXVIII No. 23 MARCH 18, 1949

Do Moscow Changes Portend Russian Isolationism?

WASHINGTON—The Truman administration intends to be armed with the North Atlantic pact before it determines whether the recent changes in the Soviet government will make it possible for East and West to come to terms. The general assumption in Washington is that Moscow changed nothing fundamental when Andrei Y. Vishinsky replaced Vyacheslav M. Molotov as Foreign Minister and Michael A. Menshikov replaced A. I. Mikoyan as Minister of Foreign Trade. With that attitude, Secretary of State Dean Acheson welcomed the arrival in Washington of Gustav Rasmussen, Foreign Minister of Denmark, on March 10, and of Bjarni Benediktsson, Foreign Minister of Iceland, on March 13 for discussions on the probable participation of their two countries in the impending Atlantic alliance, which is meant to strengthen the West vis-à-vis Russia. Italian Ambassador Alberto Tarchiani in Washington on March 9 informed his government that an invitation from the United States to Italy to take part in the alliance was imminent, and the Italian government has authorized Premier Alcide de Gasperi to accept the invitation. Democratic leaders at the Capitol predict that the Senate will approve the pact.

Soviet Changes Unexplained

Elsewhere, also, the Administration has indicated that it does not regard the Soviet reorganization as reason for modifying the American policy of containment adopted two years ago. Yet the curiosity of American officials about the ultimate implications for Soviet policy of the ministerial changes is great. The interpreters searching for light are particularly interested in the action of *Pravda*, the official Communist newspaper in Moscow, in republishing on March 10 a speech which Premier Stalin had made in March 1939, before the elevation of Molotov to the Foreign Ministry. At that time Russia was preparing to detach itself from involvement in the gathering conflict between Germany and the West which led to war in September 1939. Stalin in this speech called upon Russia to carry out a policy of peace and to strengthen commercial ties with every country, to stay out of war, to build up the Soviet military strength, and to solidify the ties of friendship with workers of all nations.

The program is essentially isolationist or at least reflects a policy of aloofness. Similarities exist in the situations of 1939 and 1949, despite the fact that ten years ago Russia determined to stay aloof from a world crisis precipitated by Germany. Now it is confronted with a crisis which its own policies have precipitated, or helped to precipitate. Taking the speech point by point, we see that Russia may hope to preserve peace by a firm stand—by refusing Western demands that it relax its influence in Eastern Germany, but by refraining at the same time from directly extending its influence into new areas. The speech implies a policy of no military aggression. The desire to strengthen commercial ties may imply a hope for an increased flow of trade between Eastern and Western Europe, for a share in the commerce of Communist China, and for a relaxation of the American ban on shipment of industrial materials from the United States to Russia. The statement on commerce reflects the Russian attitude in the international wheat conference in Washington, where the Soviet representatives have consistently shown interest in obtaining an important place in the world grain trade. But does it mean that Russia is willing to lift the economic blockade of Yugoslavia while General Tito is still Premier there? The Eastern European press and radio every day condemn Tito's policy of national deviation from the instructions of the Communist Information Bureau.

Armies and Communists

The Soviet Union already is following in 1949 the 1939 advice of Stalin to build up the Soviet military strength. Russian Finance Minister Arseny G. Sverev told the Supreme Soviet on March 10 that the government intended to spend the equivalent of $15 billion for the armed forces this year, an increase of 20 per cent above 1948. In Russian currency, the 1949 budget assigns 79 billion rubles to the Military, compared with 66 billion in 1948. While the Soviets have given no sign that they intend to dispatch their armed forces across any sovereign border, they possess in the existence of Communist parties abroad a mechanism for making themselves influential beyond their borders without inviting war through military action. The key portion of Stalin's speech may be its recommendation that Russia solidify the ties of friendship with workers of all nations. Do "workers" mean "Communist parties"?

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ern farm machinery, so as to enable France to furnish Britain with wheat and meat.

France is thus not merely interested in its own recovery and modernization but in the economic co-operation it seeks to develop with other countries of Western Europe—economic co-operation which, it is hoped here, might lay a solid basis for some form of European union. Such a larger objective could conceivably give the French a goal greater than purely self-centered material well-being to live and work for in the future.

VERA MICHELES DEAN

(Second of three articles on current trends in France.)

Talks on Austria Test Great Powers' Will to Agree

A test case of the ability of the four great powers to reach agreement is now developing in London where the deputies of the Council of Foreign Ministers have been negotiating since February 9 on the terms of an Austrian treaty under which the occupation forces may be withdrawn. The chief differences have arisen over Yugoslavia's claims for territorial changes, minority guarantees, and reparations at Austria's expense—claims which are being supported by the Soviet Union and opposed by the Western powers.

Obstacles to Agreement

A second major obstacle to agreement lies in Russia's insistence on a broad interpretation of its rights over former German assets. If granted, Washington feels, these concessions would permit Soviet domination over the economic life of Austria with the result that political independence would be jeopardized. A French compromise proposal has brought the two positions within sight of agreement, the chief obstacle now being not so much the percentages of oil, shipping and other assets involved, as the determination of just what properties and rights should be listed.

Other questions include: 1) Soviet demands for compulsory repatriation of refugees and displaced persons, opposed by the Western powers; 2) the complex issue of whether Austria should be permitted to purchase arms abroad and carry on research relating to armament; 3) differences over the extent of restitution for property of UN nationals previously confiscated; and 4) Russian opposition to the desire of the Western states for an international pledge of Austria's independence and territorial integrity. While these issues undoubtedly present many obstacles to a settlement, the underlying question is the extent to which the major powers themselves really desire to reach agreement.

The Soviet Union, for its part, derives important military and economic advantages from the *status quo*. These involve: 1) the right to keep troops not only in Eastern Austria, but also in a communications corridor through Hungary and Rumania; and 2) the *de facto* control of a substantial part of Austria's industrial plan which, under a Russian administered monopoly (USIA), supplies goods to the Soviet Union without giving Austria the benefits of foreign exchange or taxes.

On the other hand the U.S.S.R. would obtain several advantages from a treaty. In the "cold war" it would be a demonstration of Russia's will for peace, and thereby a means of weakening support for the Atlantic pact in so far as it is based on fear of Soviet aggression. The consolidation of Communist regimes in Eastern Europe makes the continued presence of Russian troops unnecessary. Indeed, from the Kremlin's point of view, it might be desirable to withdraw these troops since every soldier abroad runs the risk of "contamination" and since, in Austria, the presence of Russian occupation forces appears to strengthen the widespread anti-Communist sentiment. In the economic field it is thought that the Russians have devised technical means of influencing important Austrian industries, which will continue to prove effective after withdrawal. Finally, some observers have attached importance to the opportunity the treaty negotiations give Moscow of putting Marshal Tito's government in a difficult situation.

American Position

The United States has every reason for withdrawing from Austria provided there is some assurance that the country will be able to maintain its independence of Russia. Not only would the treaty constitute another step toward alleviating postwar tensions, but it would mean the withdrawal of Russian troops from Austria, Hungary and Rumania. At the same time it would abolish an important item of American expenditure. Directly, it would eliminate United States occupation expenditures. Indirectly, by easing the burden on the Austrian economy which has so far spent some $500 million to pay the occupation costs of Britain, France and Russia, it would reduce the amount of ECA aid needed in the future. An Austrian treaty would also obviate the risks of creating a second "Berlin" which might confront Washington with a serious problem since Vienna's airports are outside the city in Russian-occupied territory. France and Britain support substantially the same position as the United States.

The attitude of the Austrian government reflects strong popular sentiment which is growing extremely restive under the burden of occupation. Whatever fears may exist in Vienna of some attempted post-treaty Communist *putsch* are more than counterbalanced by the knowledge of strong popular support for the anti-Communist coalition government which received about 90 per cent of the vote in the elections of November 25, 1945, as against 5 per cent for the Communists. At the same time the Austrian leaders are confident that overt Soviet intervention after withdrawal of the armies would be met by immediate Western aid. Meanwhile the government wishes to throw off the paralyzing burden of occupation costs. It seeks escape from the continuing fear that hostilities may break out between the occupying powers with the Austrians themselves the immediate victims. It wants to eliminate the disadvantageous quadripartite division of the country and the restrictions on its own sovereign power.

Austria, however, is unwilling to accept a treaty at the price of crippling economic or territorial concessions. The last discussions on Austria in London, May 1948, had been torpedoed by Soviet support of Yugoslav demands for the annexation of substantial portions of Carinthia and Styria and for reparations of $150 million. Hopes that Russia would now abandon, or at least not insist on pressing the demands of Yugoslavia, following the Tito-Cominform split, were important considerations in the convening of the present conference.

Tito on the Spot

Yugoslavia, while somewhat modifying its objectives, presented its program in

London on February 24. Thi
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vene Carinthia, "substantial reparations," and guarantees for Slovene minority rights outside the autonomous areas. The Western powers gave full support to Austria in rejecting most of these conditions, although the United States put forward a compromise proposal on March 3, suggesting four specific guarantees for the Slovene minority which, save for non-contiguous communities, does not constitute a majority even in southern Carinthia.

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HJH

11 April 1949

Mr. J. Edgar Hoover, Director
Federal Bureau of Investigation
U.S. Department of Justice
Washington 25, D. C.

Dear Mr. Hoover:

It would be appreciated if this office could be provided with whatever information the FBI is in a position to provide with regard to Vera Micheles Dean of the Foreign Policy Association. It would also be helpful if the Bureau could give us any information on possible Communist tendencies of any other members of the Foreign Policy Association.

Very sincerely yours,

FRANK G. WISNER
Assistant Director for
Policy Coordination

cc: Mr. Richard W. Lawrence

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May 4, 1949

FOREIGN POLICY ASSOCIATION - Summary

In a publication of this organization entitled "Twenty-Five Years of the Foreign Policy Association, 1918-1943," it was stated that the Association had developed from a meeting in New York in April, 1918, of nineteen writers, editors, educators and others to consider the role America might play in the period following the World War. The group first organized a committee under the name of the Committee on American Policy in International Relations and formulated a statement of principles looking toward a stable peace. Two weeks after the Armistice the Committee became the League of Free Nations Association and in April changed the name to Foreign Policy Association.

The first Constitution adopted in December, 1918, contained the statement of purpose as follows: "Careful study of all sides of every important international question affecting the United States, and... communication of the results of such study to as large a number of the American people as possible".

In 1922, a fundamental change took place in the work of the Association when it was decided that it could perform its greatest service by placing its emphasis on education and research rather than on action. The object of the Association, as stated in its Constitution "is to carry on research and educational activities to aid in the understanding and constructive development of American Foreign Policy." The work of the Association has two goals, (1) thorough and objective research and (2) the diffusion of the results of such research to members of the Association as well as to newspaper editors, political and economic leaders, universities and schools, labor groups, et cetera.

The Association also works closely with such organizations as the Council on Foreign Relations, the Institute of Pacific Relations, the United Nations Information Service, as well as various Government agencies.

This pamphlet stated that at the time of its publication the membership in the organization was more than nineteen thousand and there were nineteen branches in various cities throughout the United States. The group holds an annual forum as well as special meetings and the President of the United States, according to the pamphlet, had sent special messages to each of the forums.

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Gandy

GHS:mac

Also to Director, CIA

61-7822-31

This publication indicated that it maintained a research department composed of a number of experts covering given fields of international relations and that it publishes the Foreign Policy Bulletin each week and the Foreign Policy Reports semi-monthly. In addition it publishes numerous other pamphlets and members of the research staff have participated in radio programs, speaking engagements, et cetera.

The Association has no endowment and one-half of its income is derived from membership dues, subscriptions and literature sales and the remainder is raised annually from contributions from friends and members and foundations interested in educational and research work. 61-7559-2-226

A letterhead of the Foreign Policy Association dated in September, 1945, showed the name as Foreign Policy Association, Incorporated, giving the national headquarters as 22 East 38th Street, New York City and described it as follows:

> "The Foreign Policy Association, a non-partisan independent organization to serve you as a reliable source of information on world affairs. Facts are carefully analyzed and interpreted by an experienced staff of research experts so that you receive a clear and accurate concept of world events and our relation to them."

This letter also indicated that the organization published weekly the Foreign Policy Bulletin as well as other material concerning international problems. A pamphlet of the Association in 1946 entitled "Who Makes America's Foreign Policy?" stated that the Association through "publications, forums, institutes, lectures and special meetings presents accurate facts and varying views. It does not shy away from genuine controversy." 61-7559-2-5877

In December of 1948, a letter of the Association stated that within the previous twelve months the Association, its branches and affiliates, had organized 1,580 meetings with an attendance of 419,700, that it had produced 88 broadcasts, circulated more than two million copies of Association publications, started expanding its thirty-six branches and affiliates and had received requests from fifty-one communities for the formation of local Associations or Councils. This letter indicated that the following were the officers of the Association:

William W. Lancaster	–	Chairman
Brooks Emeny	–	President
Eustace Seligman	–	Treasurer

61-7802-29

On November 25, 1930, Francis Ralston Walsh testified before the Special Committee to Investigate Un-American Activities and in connection with the National Save Our Schools Committee he mentioned the Foreign Policy Association, "...which has Soviet spies address its audiences and tell them how pleasant things in Russia are..." 62-23170-159,p.149

On August 16, 1938, Mr. Walter S. Steele testified before the Special Committee on Un-American Activities and stated that the American Student Union had set up the United Student Peace Committee in 1938 through which it had a wider range in organizing strikes in American schools. Mr. Steele then quoted "Through it they claim to have influenced seventeen national youth movements to become affiliated with it. These include... Foreign Policy Association."

The American Student Union was cited as a Communist front by the Special Committee on Un-American Activities. 61-7582-1380,p.172

The "New York Times" of July 4, 1939, in referring to the activities of the American Youth Congress, stated that at a general meeting a resolution condemning Communism, together with Nazism and Fascism, had been voted down. The resolution in opposition to Communism, Fascism and Nazism, according to the article, was sponsored by a group of seven delegates including delegates of the Foreign Policy Association. 61-7567-114X

The March 12, 1948, issue of "Counterattack," an anti-Communist publication, devoted considerable space concerning the Foreign Policy Association. It was stated that several members of the Board of Directors are "fellow travelers or appeasers" and that some of them had been put on the Board through the help of Mrs. Dean. The article also stated that the organization has an enormous influence as shown by the fact that Presidents of the United States and Secretaries of State had made speeches under its auspices and that it has a semi-official standing with the State Department and other Governmental agencies. This article indicated that Mrs. Dean had been using the Foreign Policy Association to vindicate to the American public everything that the Soviet Union had done.

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DATE 09-01-2011

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INDEXED - 125 61-7822-31

~~CONFIDENTIAL~~
VIA LIAISON

Date: May 4, 1949

To: Director
Central Intelligence Agency
2210 E Street, N. W.
Washington, D. C.

Attention: Mr. Frank G. Wisner
Assistant Director for Policy Coordination

From: John Edgar Hoover - Director, Federal Bureau of Investigation

Subject: VERA MICHELES DEAN
FOREIGN POLICY ASSOCIATION

Reference is made to the memorandum of April 11, 1949, from Mr. Frank G. Wisner, in which a request is made for information concerning Vera Micheles Dean of the Foreign Policy Association.

Attached hereto are memoranda concerning Mrs. Dean and the Foreign Policy Association which will serve to identify Mrs. Dean and the organization for you. No active investigation has been conducted by this Bureau of Mrs. Dean or the Foreign Policy Association.

This data is being furnished for your ~~confidential~~ information and should not be disseminated outside of your agency.

Enclosure 1 ENCL.

GHS:mac;wmj

Information contained in the attached memoranda is limited strictly to public source and corroborated information in the files of the Bureau. These memoranda, due to the above limitations, are not complete and are intended only to identify Dean and the Association.

61 JUN 18

COPY:AJH

887 e

OFFICE MEMORANDUM - [redacted]S GOVERNMENT

TO : H. B. Fletcher DATE: May 4, 1949

FROM : F. J. Baumgardner

SUBJECT: VERA MICHELES DEAN
FOREIGN POLICY ASSOCIATION

PURPOSE

To request the transmittal by Liaison of the attached material to Mr. Frank G. Wisner, Assistant Director for Policy Coordination of the Central Intelligence Agency.

BACKGROUND

By memorandum dated April 11, 1949, Mr. Wisner requested information concerning Vera Micheles Dean of the Foreign Policy Association and any other information of "possible Communist tendencies of any other members of the Foreign Policy Association".

Attached are blind memoranda concerning Dean and the Foreign Policy Association limited to public source and corroborated information compiled from a review of all references on Dean and the Association.

The Board of Directors and national officers of the Foreign Policy Association number forty-three while the membership is several thousand and therefore no check was made on the individual members of the Board of Directors or the national officers or any members of the Association.

RECOMMENDATION

It is recommended that the attached memoranda be forwarded to the Liaison Section for edelivery to Mr. Wisner. At the time of delivery Mr. Wisner should be advised that due to the large number of individuals comprising the Board of Directors and national officers no check was made of such individuals.

Enclosure

GHS:mac

61-7802-
NOT RECORDED
81 MAY 16 1949

ORIGINAL COPY FILED IN

179

FOREIGN POLICY ASSOCIATION
22 East 38th Street, New York 16, N. Y. MUrray Hill 5-5740

BROOKS EMENY,
President

October 3, 1949

WHERE ARE YOU
In The Tidal Wave of World Affairs?

The people of the world were once cautioned that "a lie travels around the world, while the truth is putting on her boots".....

With this thought in mind, ... the Foreign Policy Association, born on Armistice eve, 1918, has dedicated itself for the past thirty years to disseminating clear, authentic and impartial news in the field of international relations. The Association has aimed to promote among the citizens of this nation, a fuller understanding of world affairs.

Today, with an awareness of the contraction of global boundaries, the FPA is extending its program to meet the heightened public need for continuous information on international developments. We offer you, through our fact-filled publications, and through the numerous membership functions outlined in the enclosed brochure, the opportunity to share in the promotion of a wider public understanding of world issues and the problems of American foreign policy.

Because today's developments in world affairs are shaping our common destiny, we urge you to give careful consideration to the exciting new FPA program offered to citizens of this Metropolitan area, which is clearly described in the folder accompanying this special letter to you.

You are cordially invited to become a member of the Foreign Policy Association now.

Cordially yours,

Brooks Emeny
President

161-7502L-32
RECORDED - 137
INDEXED - 137
EX-3
3 NOV 2
RECEIVED
OCT 20 1
CRIME REC.

[redacted] 201 Broadway, Manhattan
Oc[redacted]9, 1949

b6
b7C

Federal Bureau of Investigation:

It seems to me that I read some time ago that this outfit is crooked. I may be wrong.

But if I am not - and I send this to you, so that you can check up - [redacted] This letter came through the mail. Get [redacted] on the ground of using the mails.

[redacted]

mail check 10-25-49 [redacted]

b6
b7C

RECORDED - 137
INDEXED - 137

October 25, 1949

EX-3 61-7802-32

[redacted]

New York, New York

Dear [redacted]

Your communication dated October 19, 1949 has been received.

I want to thank you for making this information available to me. Your interest is appreciated.

Sincerely yours,

John Edgar Hoover
Director

RECEIVED FBI
OCT 25 6 00 PM '49
U.S. DEPT. OF JUSTICE

DE-INDEXED
DATE: 3/23/59

NOTE: 61-7802-31 reflects that no active investigation has been conducted relative to the Foreign Policy Association.

COMMUNICATIONS SECTION
MAILED 15
OCT 26 1949 P.M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

NOV 18 1949

Tolson
Ladd
Clegg
Glavin
Nichols
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Tele. Room
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Gandy

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MR. PEYTON FORD
THE ASSISTANT TO THE ATTORNEY GENERAL

May 11, 1950

DIRECTOR, FBI

CONFIDENTIAL

FOREIGN POLICY ASSOCIATION
INTERNAL SECURITY - C

Reference is made to my memorandum to the Attorney General dated April 5, 1950, captioned "Owen Lattimore, Espionage - R." Included among the documents enclosed with the above memorandum, which were received from Senator McCarthy, was an anonymous communication dated March 24, 1950, addressed to Senator McCarthy, which communication made non-specific allegations of Communist influence within the above organization. This anonymous communication also made nonspecific allegations of Communist sympathy on the part of Mr. Brooks Emeny, Director of the organization.

No active investigation of the Foreign Policy Association has been conducted by this Bureau, although an inquiry concerning its formation was made in 1942, the results thereof being set forth in the report of Special Agent [redacted] dated December 4, 1942, at New York, New York, a copy of which report was furnished to the Division of Records on April 5, 1947.

A further inquiry is being made at this time concerning the above organization and the results thereof will be furnished to you upon receipt by the Bureau.

GHS:wma

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RECORDED - 101

MAILED 12
MAY 12 1950

53 MAY 19 1950

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : A. H. Belmont

DATE: April 21, 1950

FROM : C. E. Hennrich

SUBJECT: OWEN LATTIMORE
ESPIONAGE - R

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/10/79 BY SP5 RJG/RHB

Tolson
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Gandy

Purpose:

To recommend that no action be taken in the Owen Lattimore case on an anonymous letter received by Senator McCarthy concerning The Foreign Policy Association; and to refer this letter to the appropriate supervisor handling the investigation on The Foreign Policy Association who in turn should advise the Attorney General of pertinent information in this matter.

Background:

Among the documents recently furnished to the Bureau by Senator Joseph McCarthy is an anonymous typewritten letter dated March 24, 1950, which is signed, "An American who would like to see this country free from 'infiltration.'" This letter makes nonspecific allegations against The Foreign Policy Association and its director Brooks Emeny and the writer suggests that his information be furnished to the FBI. Owen Lattimore is not mentioned in this letter. A photostatic copy of the letter is attached. The Attorney General on April 5, 1950, in the case entitled "Owen Lattimore, Espionage - R" was furnished with a photostatic copy of this document as well as other documents received from Senator McCarthy.

Bureau files contain a closed case file entitled "The Foreign Policy Association," (61-7802) which was last handled by Supervisor G. H. Scatterday who wrote a summary of the organization on May 4, 1949.

Recommendation:

It is recommended that the duplicate yellow copy of this memorandum, which is designated for Bureau file 61-7802 on The Foreign Policy Association, be forwarded to the appropriate supervisor for handling since it does not pertain in any manner to the investigation of Owen Lattimore. It is further recommended that the supervisor who handles the matter on The Foreign Policy Association advise the Attorney General of what action if any has been taken with respect to this matter and it is further suggested that a brief statement be furnished to the Attorney General of pertinent information concerning The Foreign Policy Association and its director Brooks Emeny, unless some reason for not doing so is apparent. In communicating with the Attorney General in this matter, reference should be made to the communication dated April 5, 1950, entitled "Owen Lattimore, Espionage - R."

Attachment

JEM:hmb

RECORDED - 115

INDEXED - 115

61-7802-34

MAY 19 1950

EX-3

EX-3

UNRECORDED COPY FILED IN

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b7C

SAC, New York

5-11-50

DIRECTOR, FBI

FOREIGN POLICY ASSOCIATION
INTERNAL SECURITY - C
(NY: 65-11984)

RECORDED - 118

61-7802-34

EX-3

Reference is made to the report of SA [redacted] dated December 4, 1942 at New York, New York.

In connection with the case entitled "Owen Lattimore, Espionage - R," Senator McCarthy furnished to the Bureau a photostatic copy of an anonymous letter received by him making non-specific allegations of Communist sympathy within the Foreign Policy Association and on the part of its director, Brooks Emeny.

Enclosed herewith are two photostatic copies of a letter dated December 1948 addressed to "Dear Fellow Member:" on the letterhead of the above-captioned organization and signed by its officers together with an enclosure concerning the activities and aims of the group. Also enclosed are two photostatic copies of pages 17 - 19 of the November, 1947 issue of "Current Biography" concerning Emeny.

You are instructed to review the files in your office concerning the captioned organization and contact your confidential informants and reliable sources of information and thereupon immediately submit a report to the Bureau concerning the above group. Your report should be prepared in accordance with instructions on Communist front organizations and must be suitable for dissemination by the Bureau.

You must be particularly alert to determine any evidence that the organization is or in the past has been subject to Communist infiltration, influence, or control or engaged in the dissemination of Communist or pro-Soviet propaganda. The possibility that the organization may have been used as a cover for Soviet espionage activities must not be overlooked. In connection with any possible espionage phase of this investigation, consideration should be given to interviewing Louis Budenz and Elizabeth Bentley.

This case must be given immediate attention and a report submitted within 45 days. (61-7802-29 & 26)

Enclosures

GHS:wma

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MAY 12 1950

52 JUN 14 1950

RECEIVED READING ROOM
FBI
U.S. DEPT. OF JUSTICE
MAY 11 6 49 PM '50



"MORE THAN ONE HUNDRED YEARS OLD"

THE FIRE INSURANCE COMPANY OF NORTHAMPTON COUNTY

ESTABLISHED 1830 IN EASTON, PA.

JAMES H. W. HAY, *President*

103249

May 18, 1950

The Federal Bureau of Investigation
Department of Justice
Washington
D.C.

Gentlemen:

I have been asked to serve on a Committee to form a local branch of the Foreign Policy Association. Will you kindly tell me if the organization has ever been accused of being subversive or if it has ever been on your list of communistic front organizations.

Very truly yours,

James H.W.Hay

James H.W.Hay

JH:J

RECORDED - 16

INDEXED - 16

61-7802-35

MAY 6 1950

33

May 26, 1950

Mr. James R. W. Hay
President
The Fire Insurance Company
of Northampton County
513 Drake Building
Easton, Pennsylvania

Dear Mr. Hay:

RECORDED - 16
INDEXED - 16

Your letter of May 18, 1950, has been received, and the thoughts which prompted it are indeed appreciated.

You understand, I am sure, that information contained in the files of this Bureau is confidential and for official use only. No inference should be drawn from this statement that our files do or do not have information concerning the organization in which you are interested.

While lists of the type mentioned are not prepared or maintained by the FBI, it is a pleasure to enclose lists of those organizations deemed by the Attorney General to be within the purview of Executive Order 9835.

Sincerely yours,

John Edgar Hoover
Director

Enclosure

NOTE: The Foreign Policy Association about which correspondent inquires was founded in 1918 as a nonpartisian, noncommercial organization to promote interest and understanding of American citizens in international affairs. The organization has a New York Headquarters and holds periodic public discussions. An investigation by the New York Office in 1942 disclosed no evidence of subversive activity. (61-7802-8)

DDC:mms:hb

RECEIVED
MAY 29 1950
COMM-FBI

JUN 29 1950

61-7802-36

March 24, 1950

MAR 27 1950

Dear Senator McCarthy:

That so-called commentator, H. V. Kaltenborn, had some quite nasty things to say about you tonight. Naturally, he is not to be trusted. And you are absolutely on the right track. It will be hard for you to pin down your charges with exact charges, simply because you do not have the cooperation of this Socialist Government, the Democrats in power. But do not think the country is not behind you! It is. Everybody I have talked to is for you and all you are trying to do.

The horrible fact is, that tainted ones infest our government and many of the up-lift associations throughout the country. They may not be card-carrying Communists, but they are sympathizers, they are fellow-travellers, they are tainted by un-democratic ideas.

For instance, take that organization in New York known as The Foreign Policy Association. This organization is supported by the Rockefeller Foundation among other sources of income. Who is at the head of it? A young man--- just the right age, 48 or 49--- a friend of all the other Subversives---and he is married to a Rockefeller. You wouldn't by the farthest stretch of the imagination associate this man, Brooks Emeny,-- a writer, a philosopher, a speaker, with Communism,, and a Rockefeller!

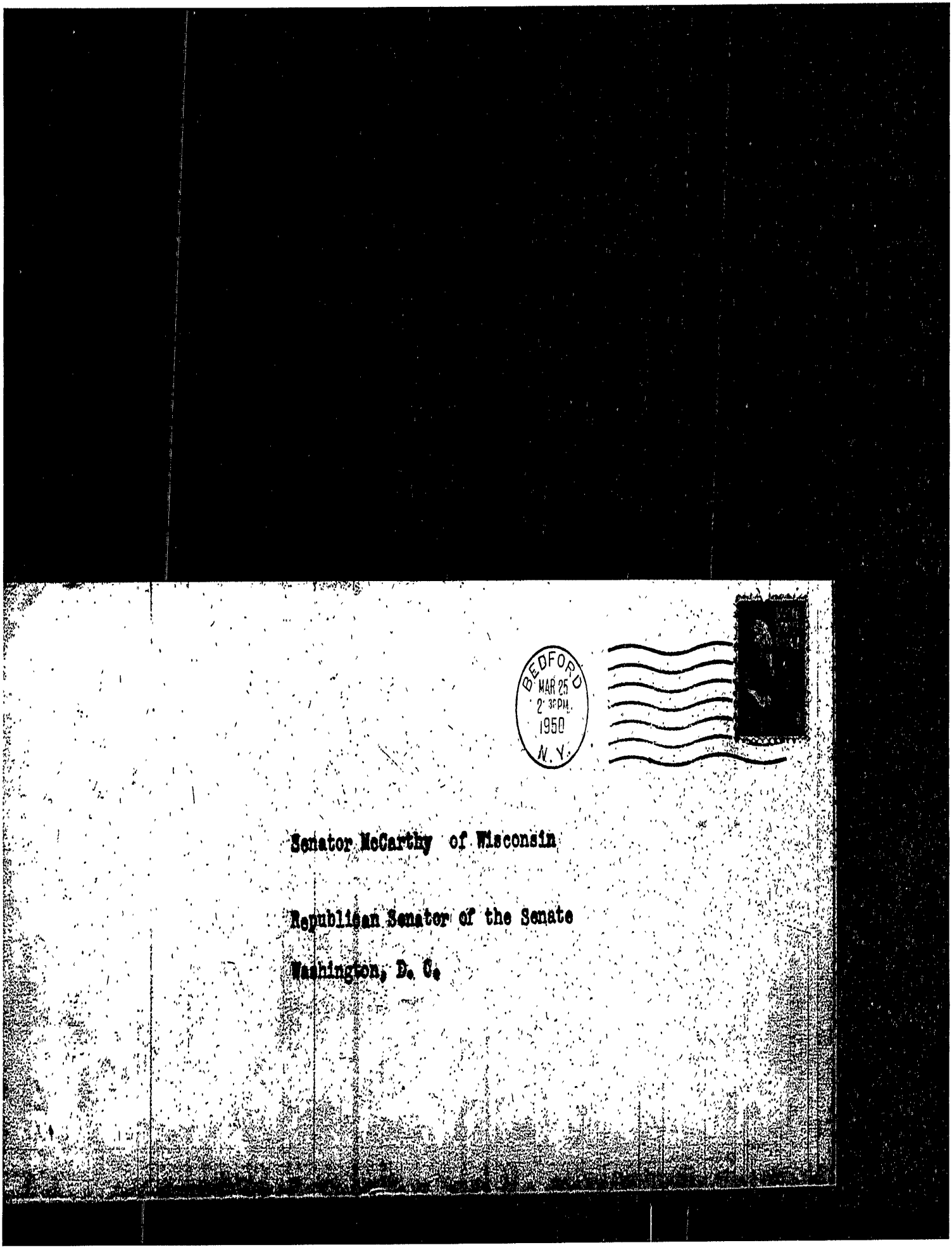
That is just how insidious this whole thing is-- the very people you would not suspect, are deep in it.

I wonder if the F. B. I. has looked up Brooks Emeny. He is not dangerous. He is just in a position where he might be able -- but not very extensively--- to lead a few unsuspecting persons in the wrong direction. He is not really influential--he is such a wordy fellow, nobody knows what he is talking about---- but there he is, at the head of the ~~Rockefeller~~ Foreign Policy Association. You might hand this over to the F. B. I. They ought to know about him, if they haven't already heard of him. He was a great friend of the fellow who jumped out the window--Duggan.

Hoping you will be able to score one point at least, and with much admiration for your courage, I am

Yours truly,

An American who would like to see this country free from "infiltration."


BEDFORD
MAR 25
2 30 PM
1950
N.Y.
Senator McCarthy of Wisconsin
Republican Senator of the Senate
Washington, D. C.

b6
b7C

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

DATE:

TO : Director, FBI

FROM : GUY HOTTEL, SAC, Washington Field

SUBJECT: BROOKS EMENY
FOREIGN POLICY ASSOCIATION
INFORMATION CONCERNING

36276

On May 24, 1950, [redacted] former FBI Special Agent and currently employed as an [redacted] United States Senator McCARTHY, furnished the original of the enclosed communication pertaining to captioned subject which was recently received by Senator McCARTHY.

Enclosed herewith are three photostatic copies of this communication which is self-explanatory. The inked notations appearing on this communication were placed there by [redacted] The original of this document has been returned to [redacted]

In furnishing this document, [redacted] requested that Senator McCARTHY and he be fully protected in the event investigation is initiated or re-opened on the basis of this communication.

These enclosures are submitted for the information of the Bureau and copies are also being directed to the New York Office. No investigation is contemplated by this office on the basis of information contained in this communication.

Enclosures (3)

cc: New York (Enclosure)
WFO 100-20548

62-0
FJM:DCS

3 ENCS - 2 ATTACHMENTS

ENCLOSURE ATTACHED

161-1803-
NOT RECORDED
70 JUN 12 1950

8 JUL 3 1950

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 07-01-2011

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FD-72 (1-10-49)

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT NEW YORK [redacted] NY File No. 65-11984 KD

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
NEW YORK JUL 6	1950	5/19,22-26,29,31; 6/1,2,5-9,12-16, 19-21/50	

TITLE	CHARACTER OF CASE
FOREIGN POLICY ASSOCIATION, INC.	INTERNAL SECURITY - C

Classified by [redacted] 91025
Declassify on: OADR
Rdg 93-100

SYNOPSIS OF FACTS:

FPA developed from meeting held in NYC, 4/23/18; adopted name FPA in 1921 and incorporated as FPA, INC., 11/26/28. Names of original founders set out. Many prominent individuals have been associated with FPA. Purpose: "To carry on research and educational activities to aid in the understanding and constructive development of U.S. foreign policy". Headquarters at 22 E. 38 St., NYC and 35 branches and affiliates throughout U.S. Current membership approximately 24,000. Its three publications are widely distributed. Names and descriptive data of current officers set out. BROOKS EMENY, President since 1947, reported to be anti-Communist and opposed to pro-Soviet convictions of VERA MICHELES DEAN, Research Director; who influences FPA policies and has been accused of being apologetic for Russia. Informants state FPA not a Communist front and never was so regarded by CP, but CP has had a faction working in it. FPA reported to have received $5,000. contribution from AMTORG TRADING CORPORATION in 1937. Employees represented by UOPWA. T. A. BISSON, BRUCE BLIVEN, DAVID H. POPPER and WILLIAM T. STONE formerly associated with FPA, were also associated with "AMERASIA".

AGENCY Dept. of State
REQ. REC'D 11-23-54
REP'T FORM 11-24-54
BY [redacted]

APPROVED AND FORWARDED: [redacted] SPECIAL AGENT IN CHARGE

DO NOT WRITE IN THESE SPACES

61-	7802-	37

RECORDED - 42

INDEXED - 76

6 - Bureau (61-7802)
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1 - Boston (info)
1 - Buffalo (info)
1 - Cincinnati (info)
1 - Cleveland (info)
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COPY IN FILE

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AUG 31 1950

SEE REVERSE SIDE FOR ADD. DISSEMINATION

NY 65-11984

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1 - St. Paul (info)
1 - San Antonio (info)
1 - Washington Field (info)
4 - New York

(U)

61-7802-37

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NY 65-11984

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12

NY 65-11984

DETAILS: For the purpose of conserving space, the subject organization, which is known as the FOREIGN POLICY ASSOCIATION, INC., will be referred to in this report by the initials FPA.

I. ORIGIN, SCOPE OF ORGANIZATION AND GENERAL ACTIVITIES

A. ORIGIN

The following background information as to the origin and early activities of the FPA was obtained from a review of the following publications in the New York Public Library, 42nd Street and Fifth Avenue, New York City:

"TEN YEARS OF THE FPA, 1918-1928";
"TWENTY YEARS OF THE FPA, 1918-1938";
"TWENTY-FIVE YEARS OF THE FPA, 1918-1943";
"THE FPA IN WAR-TIME" (1940)

According to the above indicated publications, the FPA developed from a meeting held in New York City on April 23, 1918 of nineteen writers, editors and others, who assembled to consider the role of the United States in the period following the World War. At this meeting, a committee was organized, which shortly thereafter took the name of "The Committee on American Policy in International Relations". At this first meeting, S. K. RATCLIFFE and NORMAN ANGELL gave the group "the benefit of the experience of those English liberals who were four years ahead of us in waking up, and three thousand miles nearer the realities of the European conflict".

The following individuals attended this first meeting and identifying data as to them, unless otherwise indicated, was taken from the aforementioned publications:

NORMAN ANGELL, author; General Manager, "Paris Daily Mail", 1905-1912; home: London England. ("Who's Who" - 1918-1919)

CHARLES A. BEARD, Professor of Politics, Columbia University, 1907-1917; Director, Training School for Public Services, New York City, since 1917. ("Who's Who" - 1918-1919)

WINSTON CHURCHILL, author; home: Cornish, New Hampshire. ("Who's Who"- 1918-1919)

HERBERT CROLY, author; Editor, "The New Republic" since 1914; President, THE NEW REPUBLIC COMPANY. ("Who's Who" - 1918-1919)

WILL DURANT, author; Director, Labor Temple School, New York City, 1914-1927. ("Who's Who" - 1930-1931)

PERCY S. GRANT, Rector, Church of the Ascension, NewYork City since 1893. ("Who's Who"- 1918-1919)

J. A. H. HOPKINS, Chairman, National Bureau of Information and Education.

ALVIN H. JOHNSON, Director, The New School for Social Research.

MARTIN JOHNSON, motion picture explorer. ("Who's Who" - 1930-1931) ✓

ARTHUR KELLOGG, Managing Editor, "The Survey", since 1908. ("Who's Who" - 1918-1919)

PAUL U. KELLOGG, Editor of "The Survey". ("Who's Who"- 1918-1919)

PAUL KENNADAY, President, KENNADAY AND LIVINGSTON, INC., Literary agents.

HENRY R. MUSSEY

ERNEST POOLE, author; resided at the University Settlement, New York City, 1902-1905 and wrote articles and stories for magazines; also correspondent for magazines in the U. S. and Russia; Socialist. ("Who's Who"- 1918-1919)

S. K. RATCLIFFE

W. J. SLAUGHTER

EDWIN E. SLOSSON, Managing Editor, "The Independent" since 1903. ("Who's Who" - 1918-1919)

GEORGE P. WEST

P. W. WILSON, author; member of editorial staff "London Daily News". ("Who's Who" - 1930-1931)

The following individuals joined the aforementioned nineteen individuals shortly after the meeting held on April 23, 1918:

EDWIN BJORKMAN, author; editor, "Modern Drama Series"; a Socialist Progressive. ("Who's Who" - 1918-1919)

ALLEN T. BURNS, Executive Director, Association of Community Chests and Councils.

WENDELL BUSH, Associate Professor of Philosophy, Columbia University. ("Who's Who" - 1918-1919).

JOSEPH P. CHAMBERLAIN, Professor of Public Law, Columbia University.

LINCOLN COLCORD, author; began writing short stories in 1909; staff correspondent "Philadelphia Public Ledger" Washington Bureau since 1917. ("Who's Who" - 1918-1919)

JOHN DEWEY, Professor of Philosophy, Columbia University. ("Who's Who" - 1918-1919)

STEPHEN DUGGAN, Professor of Education, College of the City of New York. ("Who's Who" - 1918-1919)

H. E. W. FOSBROKE, Professor of History and Religion of Israel, 1909-1916 at Episcopal Theological School; Dean, General Theological Seminary since 1917. ("Who's Who - 1918-1919)

MANLEY O. HUDSON, Professor of International Law, Harvard Law School, Cambridge, Massachusetts and Judge, Permanent Court of International Relations.

JAMES G. McDONALD, Assistant Professor of History and Political Sciences, Indiana University, 1914-1918.

CHRISTINA MERRIMAN

RALPH S. ROUNDS, lawyer, member of law firm ROUNDS, HATCH, DILLINGHAM AND DEBEVOISE. ("Who's Who" - 1918-1919)

JAMES T. SHOTWELL, Director, Division of Economics and History, Carnegie Endowment for International Peace.

MRS. MARY K. SIMKHOVITCH, social economist, former Associate Professor of Social Economics at Barnard College and Teachers College, Columbia University; with Greenwich House since 1902. ("Who's Who" - 1918-1919)

LILLIAN D. WALD, Sociologist; founder and President of Henry Street Settlement. ("Who's Who" - 1918-1919)

The aforementioned publications further reflect that the second meeting was held on May 13, 1918 where ARTHUR GLEASON "put before us the two edged foreign policy of Britigh labor - resistance in the field coupled with democratization of war aims". At this meeting, PAUL KENNADAY brought in the report of the organizational committee of which WINSTON CHURCHILL was Chairman. The report called for an organization "national in scope and non-partisan in activities". It was decided to set up a sort of seminar to take up those issues which would be confronted in any peace settlement and on which the group wanted to educate themselves before attempting to educate others. Those issues were called "war aims".

CHARLES A. BEARD was chairman of the Program Committee in the Summer of 1918 and NORMAN HAPGOOD became the chairman when the national organization was launched in the Fall of 1918. HAPGOOD was succeeded in the Winter of 1918-1919 by JAMES G. McDONALD.

HENRY R. MUSSEY was the first secretary of the organization and he was followed by STEPHEN DUGGAN. DUGGAN in turn was followed by LINCOLN COLCORD, who was succeeded in the Fall of 1918 by CHRISTINA MERRIMAN, who continued in that capacity until the Winter of 1928, when she was succeeded by ESTHER G. OGDEN.

WENDELL BUSH and ROBERT J. GARDINER, as well as GEORGE M. LAMONTE served as treasurer throughout the early years of the organization.

At one of the early meetings held in the summer of 1918, Professor THOMAS MASARYK spoke on the theme of the small nation and Professor JOSEPH P. CHAMBERLAIN spoke on the subject of the control of international trade routes. In addition, at oneof these meetings in the Summer of 1918, THOMAS D. THACHER and JOHN REED spoke on the subject of Russia and WILLIAM S. KIES, Vice-President of the AMERICAN INTERNATIONAL CORPORATION and W. MORGAN SHUSTER, former U. S. Minister to Persia, spoke on the subject of concessions and investments in backward countries. In addition, ORDWAY TEAD of the Bureau of Industrial Research spoke on the subject of the distribution of raw materials and RALPH ROUNDS, a lawyer from New York City, presented the draft of a constitution for a League of Nations.

On October 10, 1918, the platform of "war aims" of the organization was adopted and on November 7, 1918, a meeting was held to discuss ways and means to secure public support for the incorporation of the "war aims" into the peace settlement. On November 27, 1918, the "war aims" were distributed in printed form at offices of the newly formed "League of Free Nations Association", which was the new name of the subject organization.

On December 11, 1918, the first constitution was adopted and in December, 1918, the first public luncheon of the organization was held.

In 1919 a Committee on Mexican Relations was appointed, whose fact-gathering, public speaking and epresentation at Washington in the form of substantial briefs at the State Department"showed us how organized common aims can help resolve a threatened war."

In 1919, the organization commissioned WILLIAM ALLEN WHITE, HENRY SCATTERGOOD and Father JOHN A. RYAN to undertake a collation of Russian-American documents, which would "throw light into a situation that was all heat and which was given a wide berth by the more cautious agencies in American life".

In April, 1921, the organization became known as the FOREIGN POLICY ASSOCIATION and in the Spring of 1921, the first branch was opened in Boston, Massachusetts.

On June 1, 1921, the FPA urged President WARREN HARDING to call a conference for the reduction of armaments.

In November, 1921, the first "News Bulletin" was published by the FPA.

In February, 1922, the FPA Committee on the Permanent Court of International Justice presented a memorandum to the Secretary of State, which proved similar to the program of adherence to the court later submitted by the secretary to the President.

In April, 1922, the FPA presented to the State Department a brief signed by twenty-four "nationally known lawyers" entitled "The Seizure of Haiti by the U. S.".

According to the aforementioned publications, a "fundamental change" took place in the organization of the FPA in that after prolonged discussion the Board of Directors decided that the FPA could perform its greatest service to the American public by placing emphasis on education and research rather than on action.

On April 1, 1923, a constitution was adopted by the FPA, which was later amended in 1928.

In 1924, the Speakers Bureau of the FPA was established and in that year, the FPA began a series of radio talks, it being one of the first organizations to use the radio in connection with its organizational efforts and in connection with the discussion of international affairs.

On December 1, 1928, the subject organization became known as the FOREIGN POLICY ASSOCIATION, INC.

In 1933, JAMES G. McDONALD resigned his position as President of the FPA in order to become the High Commissioner for the League of Nations and McDONALD was succeeded by RAYMOND LESLIE BUELL. In addition, WILLIAM T. STONE became Vice-President. According to these publications, during these early years, the FPA was to a large extent the creation of JAMES G. McDONALD, CHRISTINA MERRIMAN and ESTHER G. OGDEN, as well as CAROLYN E. MARTIN.

In 1937, ESTHER G. OGDEN resigned as Secretary and was succeeded by DOROTHY F. LEET, former Director of Reid Hall in Paris.

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B. INCORPORATION DATA

The records of the Clerk of the County of New York, 60 Centre Street, New York City, as checked on May 19, 1950, reflected the subject organization filed its articles of incorporation pursuant to the corporation law on December 1, 1928, said papers being filed by the law firm of ROUNDS, DILLINGHAM, MEAD AND NEAGLE, 105 Broadway, New York City.

The above indicated articles reflected the following as directors of the corporation with terms expiring in 1929:

ALVIN E. DODD, 3300 O Street, N., Washington, D. C.

FRANCES A. HAND, 142 East 65th Street, New York City (wife of LEARNED HAND, Judge of the U. S. Circuit Court. "Who's Who" - 1930-1931.)

FLORENCE LAMONT, 107 East 70th Street, New York City (wife of THOMAS WILLIAM LAMONT, banker and member of the firm of J. P. MORGAN AND COMPANY, New York City. "Who's Who" - 1930-1931)

HELEN HOWELL MOORHEAD, 115 East 64th Street, New York City.

EUSTACE SELIGMAN, 126 East 74th Street, New York City

A. LIVINGSTON WARNSHUIS, 106 Douglas Place, Mount Vernon, New York (Secretary, International Missionary Council, New York City, "Who's Who" - 1930-1931)

According to the above indicated papers, the following were the directors whose terms expired in 1930:

JOSEPH P. CHAMBERLAIN, 8 Sutton Square, New York City (Professor of Public Law, Columbia University. "Who's Who" - 1930-1931)

JOSEPH P. COTTON, 405 Park Avenue, New York City (Lawyer; Under-Secretary of State. "Who's Who" - 1930-1931)

PAUL U. KELLOGG, 184 Sullivan Street, New York City. (Editor, "Survey Graphic" - "Who's Who" - 1930-1931)

EDWARD KREHBIEL, 240 Fifth Avenue, New Rochelle, NewYork. (General Manager and Treasurer, GORHAM, INC. - "Who's Who" - 1930-1931).

RALPH S. ROUNDS, 830 Park Avenue, New York. (Lawyer; member of law firm, ROUNDS, DILLINGHAM, MEAD and NEAGLE, New York City - "Who's Who" - 1930-1931)

ELEANOR ROOSEVELT, Hyde Park, New York. (Wife of FRANKLIN DELANO ROOSEVELT, Governor of the State of New York - "Who's Who" - 1930-1931)

The aforementioned papers reflected the following as directors whose terms expired in 1931:

BRUCE BLIVEN, 15 Claremont Avenue, New York City. (Managing Editor of "New Republic" - "Who's Who" - 1930-1931)

CARLTON J. H. HAYES, 35 Claremont Avenue, New York City. (Professor at Columbia University - "Who's Who" - 1930-1931)

CHARLES P. HOWLAND, Walpole, New Hampshire. (Treasurer, LAWYERS MORTGAGE COMPANY AND MORTGAGE BOND COMPANY OF NEW YORK - "Who's Who" - 1930-1931)

AGNES BROWN LEACH, 170 East 64th Street, New York City. (Wife of HENRY GODDARD LEACH, author and editor - "Who's Who" - 1930-1931)

Mr. & Mrs.

JULIAN W. MACK, 24 Fifth Avenue, New York City. (Judge, U. S. Circuit Court - "Who's Who" - 1930-1931)

LILLIAN D. WALD, 265 Henry Street, New York City, socioligist and publicist - "Who's Who" - 1930-1931)

The articles of incorporation reflected the following as ex-officio directors:

JAMES G. McDONALD, Chairman of the Board, 454 Riverside Drive, New York City. (Former Assistant Professor of History and Political Science, Indiana University, 1914-1915 - "Who's Who"-1930-1931)

RUTH MORGAN, Vice-Chairman of the Board, 155 East 61st Street, New York City.

ALBERT LYTLE DEANE, Treasurer, 1 Orchard Parkway, White Plains, New York

ARTHUR SACHS, Chairman of the Finance Committee, 42 East 69th Street, New York City.

The aforementioned papers were signed by the following individuals as subscribers to the certificate of incorporation:

JOSEPH P. CHAMBERLAIN,
HELEN ISELIN HENDERSON
JAMES G. McDONALD
ELEANOR ROOSEVELT
FELIX M. WARBURG (member of banking firm KUHN, LOEB AND COMPANY, New York City - "Who's Who" - 1930-1931)
RALPH S. ROUNDS
JOHN FOSTER DULLES (member of law firm of SULLIVAN AND CROMWELL, New York City - "Who's Who" - 1930-1931)

The records of the Clerk of the County of New York reflect a "certificate of change of number and qualifications of directors" was filed on June 9, 1947 by SULLIVAN AND CROMWELL, 48 Wall Street, New York City, which certificate was signed by BROOKS EMENY as President and HELEN M. DAGGERT as Secretary of the FPA.

C. SCOPE OF INVESTIGATION

1. Location of Headquarters

Confidential Informant T-1, of known reliability, advised on June 1, 1950, that the national headquarters of the FPA are located at 22 East 38th Street, New York City and according to information furnished by Confidential Informant T-2, of known reliability on May 8, 1950, the FPA moved to this address in September, 1940, from 8 West 40th Street, New York City.

2. Branches and Affiliates

Confidential Informant T-3, of known reliability, advised on May 25, 1950, that branches and affiliates of the FPA are located in the following cities:

Albany, New York
Austin, Texas
Bethlehem, Pennsylvania
Boston, Massachusetts
Cincinnati, Ohio
Columbus, Ohio
Detroit, Michigan
Elmira, New York
Harrisburg, Pennsylvania
Hartford, Connecticut
Houston, Texas
Indiannapolis, Indiana
Los Angeles, California
Lynn, Massachusetts
Milwaukee, Wisconsin
Minneapolis, Minnesota
New Orleans, Louisiana
Oklahoma City, Oklahoma
Omaha, Nebraska
Philadelphia, Pennsylvania
Pittsburgh, Pennsylvania
Rochester, New York
Shreveport, Louisiana

St. Paul, Minnesota
Springfield, Massachusetts
Syracuse, New York
Tulsa, Oklahoma
Utica, New York
Washington, D. C.
Worcester, Massachusetts

A pamphlet "World Affairs and Your Affairs", published by the FPA and furnished by Confidential Informant T-3 states that the branches and affiliates of the FPA "conduct public meetings on current world topics with the most qualified speakers. Hundreds of forums . . ., discussion groups, student conferences, regional institutes, radio programs serve their communities by analyzing world issues".

3. Councils on World Affairs (affiliated)

According to Confidential Informant T-3, there are offices or Councils on World Affairs located in the following cities and they are affiliated with the FPA:

Buffalo, New York
Cleveland, Ohio
Poughkeepsie, New York
Providence, Rhode Island
St. Louis, Missouri

4. Current Membership

Confidential Informant T-3 advised on May 25, 1950 that the FPA currently has an approximate membership of 24,000, which is down from a peak of 30,000 during the war. According to promotional material published by the FPA, as furnished by T-3, membership in the FPA may be obtained by joining any FPA branch or affiliate Council on World Affairs or by applying directly for membership to the national headquarters in New York City. According to this material, "contributing" members support the work of the FPA by paying $25.00 to $100.00 and they are entitled to whichever publications they choose; regular members pay $10.00 a year and receive all publications; annual members pay $6.00 and receive the "Foreign Policy Bulletin" and "Headline Series"; associate

members pay $4.00 and are entitled to the "Foreign Policy Bulletin" and "Headline Series". This membership is open to teachers, members of the clergy, social workers and librarians.

5. Past Members

The publication "Ten Years of the FPA, 1918-1928", as reviewed at the New York Public Library, reflected the following membership of the FPA:

1918-1921	1,000
1921-1922	1,500
1922-1923	2,300
1923-1924	4,000
1924-1925	4,800
1925-1926	6,000
1926-1927	7,500
1927-1928	9,000

6. Finances

A booklet "Facts About Foreign Policy Association", published in January, 1950, reflects that the FPA receives no endowment and meets its operating expenses entirely from membership fees, sales of publications, grants from foundations and contributions from the public.

Confidential Informant T-4, of known reliability on May 29, 1950 reported that the 1949 budget for the FPA was the sum of $224,000. and that membership dues covered 30% of the operating expense, publications covered 23% and special gifts 47%.

D. GENERAL ACTIVITIES

1. Research Department

According to the publication "Twenty-five Years of the FPA; 1918-1943" and "The FPA in War Time", as reviewed in the NewYork Public Library, the backbone of the activities of the FPA is its Research Department. According to these publications, the nucleus of this department was the Committee on Opium Traffic organized in December, 1922, which prepared a number of pamphlets, which met

with such favorable response that the organization was urged to expand this type of activity into other fields and consequently in September, 1925, the Research Department was established with Professor MEADE EARLE of Columbia University as its director. From 1927 to 1938, RAYMOND LESLIE BUELL was Director of the Research Department and he in turn was succeeded by VERA MICHELES DEAN. The Research Department published a series of "Editorial Information Bulletins", the first of which, on the Locarno Security Conference, appeared on October 5, 1925. In 1934, the Research Department was engaged in the survey of economic and social conditions in Cuba, which survey was undertaken at the request of the Cuban Government.

In 1933 and 1934, the FPA in cooperation with the World Peace Foundation, organized three special committees of experts and leaders who prepared recommendations regarding the Pan-American Conference at Montevideo and on the future of the Philippines.

The aforementioned publications reflected that the Research Department is composed of a number of experts, each covering a given field of international relations, such as the Far East, Latin America and so forth. The purpose of the research organization is to "clarify the meaning of outstanding events, analyze important pending issues and to discuss the foreign policy of the U. S. in relation to these problems."

In 1940 and 1941, a special department carried on research work in regard to Latin America and published a newsletter twice a month entitled "Pan-American News", which was discontinued when government and private agencies developed their work in this field.

Another special service connected with the Research Department is the information services of the FPA library where "thousands of questions" in regard to international relations are answered annually.

The above mentioned publications reflect that in order to maintain contact with the various fields of study, members of the research staff of the Research Department frequently go abroad and for example - T. A. BISSON, with the assistance of a travelling fellowship from the Rockefeller Foundation, spent 1937 in the Far East and JOHN C. DeWILDE spent eight months in the study of Germany in 1938, while CHARLES E. THOMSON toured Latin America in 1938.

In addition, members of the Research Department address many organizations, including national conventions, public and private schools, colleges, adult education forums, clubs and other groups.

2. Popular Education Department

The publication "Twenty-five Years of the FPA, 1918-1943", as reviewed in the New York Public Library, reflects that this department was organized in 1935 for the purpose of publishing popular material in international affairs and to encourage the discussion of such material among groups for which the existing research publications of the FPA were too technical. This department has published a series of illustrated "Headline Books" which are now known as the "Headline Series". In the eight years previous to 1943, forty-one "Headline Books" were issued with a total distribution of almost two million copies. Both the "War Atlas" and "The Struggle for World Order", which were "Headline Books", had a distribution of over 110,000 copies.

One of the principal outlets for the "Headline Books" and the subsequent "Headline Series" has been governmental and educational organizations. During the war, the War Department ordered over 250,000 copies of these books for use in the Army orientation courses and for Army camps in foreign countries. In addition, the U. S. Navy used them in its naval training schools.

In addition, hundreds of educational organizations and student groups throughout the country have used these books in their organizations and the Popular Education Department of the FPA has cooperated with the U. S. Office of Education in placing copies of these books in College War Information Centers all over the country during the war.

The aforementioned publications also claimed that thousands of teachers were using these books for classroom work and collateral reading and were also being used in social science courses in the New York public school system, as well as being distributed to secondary schools and teachers colleges throughout the country.

In addition, the Popular Education Department holds special student forums both in New York and in branch offices and also handles regular discussion meetings. In addition, college and teacher seminars are held under its auspices throughout the year.

On May 25, 1950, Confidential Informant T-3 ascertained that the Popular Education Department was actually no longer in existance and its function had been merged with other groups of the FPA.

3. Washington Bureau

The publication "Twenty-five Years of the FPA, 1918-1943", as reviewed at the New York Public Library, reflects that the Washington Bureau of the FPA was established in 1928 and performs two functions:

It serves as an outpost for the research staff in the collection of information on issues of American foreign policy and it acts as a distributing center for publications of the FPA.

The Washington Bureau receives constant requests from Senators and Representatives for memoranda and documentary material on questions concerning American foreign policy and international relations. Contacts are maintained by the Washington Bureau with officers of the State Department, who have been extremely helpful in assisting the educational and research work of the FPA within the limits imposed by their official position. For many years the Division of Current Information of the State Department has kept a complete set of "Foreign Policy Reports" on file for the use of the officials of the State Department and for the use of newspaper correspondents.

4. Speakers Bureau

The publication "Twenty Years of the FPA, 1918-1938", as reviewed at the New York Public Library, reflects that the Bureau was founded in 1924 for the purpose of helping branches and other organizations to plan their program on international affairs.

5. Publications

Confidential Informant T-2 reported on May 8, 1950 that the publications sponsored by the FPA are printed by outside contractors on monthly terms and bulk mailing was also done by the outside contractors.

a. "FOREIGN POLICY BULLETIN"

The April 28, 1950 issue of the "FOREIGN POLICY BULLETIN", as reviewed in the New York Public Library, reflects that it was published weekly from September through May, inclusive and bi-weekly during June, July and August for the FPA. Its masthead reflects the following:

"An analysis of current international events".

In addition it was noted that the "FOREIGN POLICY BULLETIN" consists of four pages and its editor was listed as VERA MICHELES DEAN and its associate editor as WILLIAM W. WADE.

b. "FOREIGN POLICY REPORTS"

The May 1, 1950 issue of the "FOREIGN POLICY REPORTS", as reviewed at the New York Public Library, reflects that this publication is published by the FPA twice a month every month with the exception of the months of July and August. The publication sells for 25¢ a copy and its editor is listed as VERA MICHELES DEAN ; Associate editor WILLIAM W. WADE; Assistant editor FELICE NOVICH.

According to promotional material furnished by T-3 on May 25, 1950, the "FOREIGN POLICY REPORTS" consist of "factual, documented studies on specific international problems written by specialists of high scholastic standing".

c. "HEADLINE SERIES"

The March 20, 1950 issue of "HEADLINE SERIES", as reviewed at the New York Public Library, reflects that this was the eightieth in this series and that it was published on a bi-monthly basis at a cost of 35¢ per copy. The editor was listed as WILLIAM W. WADE. This issue reflected the following as to the "HEADLINE SERIES":

"Tries to give its readers enough unbiased background information in understable form so they can make up their own minds intelligently on the great international questions of the day. The articles are prepared under

"the supervision of the FPA Research staff of experts".

In addition, promotional material of the FPA as furnished by T-3 on May 25, 1950, reflected that the "HEADLINE SERIES" consisted of popularly written, graphically illustrated booklets of 64 pages, each dealing with a major problem, issued six times a year.

6. Opium Research

The publication "Twenty-five Years with the FPA, 1918-1943", as reviewed at the NewYork Public Library, reflects that the only standing committee of the Board of Directors of the FPA, which deals with questions of policy is the Opium Research Committee. In addition to sponsoring numerous "FOREIGN POLICY REPORTS", this committee has played an active part in assisting governments to make decisions with respect to policy concerning opium and similar matters of humanitarian interest.

7. Affiliation With and Cooperation With Other Groups

The publication "Twenty Years of the FPA, 1918-1938", as reviewed at the New York Public Library, reflects that the FPA has been affiliated in a consultative capacity with the National Peace Conference and the FPA has also assisted in providing material to such groups as follows:

National Conference on the Cause and Cure of War
American Legion
Rotary Clubs
League of Women Voters
American Association of University Women

The above indicated publication states that while the FPA does not endorse the programs of any of the groups which it cooperates with, it was prepared to supply educational material and technical assistance to any public organization which desired such assistance.

The publication "Twenty-Five Years of the FPA, 1918-1943", as reviewed at the New York Public Library, reflects that the FPA was desirous of serving as a "clearing house" for other agencies interested in foreign policy and international affairs. According to the publication, the educational and

and research facilities of the FPA were at the disposal of any individuals or groups and the FPA office was prepared to supply educational material and technical assistance to any public or private organization desiring the same and that among the groups that have been utilizing the services of the FPA were the following:

Business houses, industries with international interests, labor groups, community organizations, rotary clubs, church groups, American orientation classes.

In addition, it was indicated that the FPA worked closely with the following:

Council on Foreign Relations
Institute of Pacific Relations
Commission to Study the Organization of Peace
International Relations Section of the National YWCA
United Nations Information Service
Cleveland Council on World Affairs
Chicago Council on Foreign Relations
The Royal Institute of International Affairs in London
Canadian Institute of International Affairs
Office of War Information
Office of Strategic Services
Office of the Geographer of the State Department
Office of Foreign Relief and Rehabilitation Operations

In addition, it was reflected that prior to the war, the FPA helped to carry on the work of the Geneva Research Center in Europe and was affiliated with the International Studies Conference through the American Coordinating Committee.

8. Meetings

The publication "The FPA in War Time", as reviewed at the New York Public Library, reflects that the FPA reaches "thousands" of people through its discussion meetings held in New York City and in the cities covered by the branch offices. In addition, the FPA sponsors small study and discussion groups and occasionally conducts in New York City a series of lectures on current world affairs.

The publication "Twenty-five Years of the FPA, 1918-1943", reflects that during the period from 1918 to 1943, the FPA has held in New York City and in its branches 2,086 meetings, which have been attended by 726,138 people. Among the guests at meetings and luncheons sponsored by the FPA have been such individuals as:

Ambassador JOSEPH GREW
NELSON JOHNSON
ARTHUR BLISS LANE
WILLIAM H. STANLEY
Former Vice-President HENRY A. WALLACE
CHARLES Van der PLAS , Governor of Java
HERBERT H. LEHMAN
WALTER DURANTY
HERBERT L. MATTHEWS

The publication "Twenty Years of the FPA, 1918-1938", as reviewed at the New York Public Library, reflects that the following have been guests at meetings and luncheons sponsored by the FPA:

Viscount ASTOR
JOSEPH E. DAVIES
ANDRE SIEGFRIED
VICENTE LOMBARDO TOLEDANO
GEORGE P. MESSERSMITH
WILLIAM E. DODD
NORMAN H. DAVIS
Dr. SYNGMAN RHEE
Sir JOHN SIMON
WICKHAM STEEL

Dr. JUDAH L. MAGNES
BERTIL OHLIN
JULES SAUERWEIT
Count AISUKE KABAYAMA

9. Radio Programs

The publications "Twenty Years of the FPA, 1918-1938" and "Twenty-five Years of the FPA, 1918-1943", as reviewed at the New York Public Library, reflect that the FPA sponsored radio broadcasts given by JAMES G. McDONALD, former chairman of the FPA, from 1924 to 1933, which broadcasts were among the first organizational efforts to use the air for the discussion of international affairs. According to the aforementioned publications, members of the Research Department, as well as members of the Board of Directors have participated in radio broadcasts which the FPA has carried on from time to time on a nationwide basis.

10. War Services

The publication "Twenty-five Years of the FPA, 1918-1943", as reviewed at the New York Public Library, disclosed that the FPA, during World War II made a "consistent and impprtant contribution" in serving government departments and agencies, including the War Department, theState Department and the Board of Economic Warfare. Various members of the Board of Directors and other officers of the FPA served as members of the various governmental boards and as consultants and advisors to various governmental boards and agencies.

11. Current Activities

The booklet "Meeting the Challenge of World Problems", as obtained through Confidential Informant T-3 on May 25, 1950, reflects a summary of activities for the FPA during 1947 and which in substance revealed that in 1947, 1,125 meetings were held with an attendance of 140,000. During 1947, staff members of the FPA spoke to 97 other groups with an attendance of 31,555 and the Speakers Bureau of the FPA provided prominent speakers for 174 FPA meetings and advised on programs for 150 meetings of other organizations.

During 1947, a million and a half copies of FPA studies were circulated and 3,240 libraries subscribed to FPA publications and "hundreds" of college and high school classes used FPA studies as texts or supplemental reading. In addition, during 1947, thousands of FPA publications were used in U. S. Army orientation classes, government commissions, conferences, embassies, organizations and press in other countries. According to the above-mentioned booklet, the annual budget for the FPA for the past few years had averaged $250,000.00, but the budget for 1948 called for $275,000.00.

According to a booklet captioned "Foreign Policy Bulletin (Reprints)" as furnished by Confidential Informant T-3 on May 25, 1950, the FPA, as of June 1, 1948, had a total membership of 28,900, which was over 3,000 less than the preceding year. These members were divided into the following categories:

Branches and affiliates	12,357
Metropolitan area	4,272
General area including members abroad	3,373
Libraries and organizations	3,240
Students	5,658

According to the publication, the FPA would continue to maintain those functions which in the past have proved to be educationally sound and which would aid the growth of community organizations. In addition, the national headquarters of the FPA would in the future endeavor to serve as the central agency of correspondence and exchange of information concerning the activities of various communities and the new methods and techniques of education which they devise.

In addition, the FPA had the problem of integrating certain of its functions with other national research institutions and in this regard the FPA had early established a working relationship with the UN Research Program of the Carnegie Endowment for International Peace and the Far East Program of the Institute of Pacific Relations. The FPA was desirous of establishing similar institutes for research of Europe, Africa, Latin America and the Soviet Union.

Confidential Informant T-4 reported on May 29, 1950 that during 1949 the FPA organized 1,600 meetings with an attendance of more than 500,000. In addition, during 1949, the FPA arranged for over 300 radio broadcasts and

prepared and distributed 1,460,750 copies of its publications. The FPA publication "Government and Capital - Point Four" was highly praised by leaders of business and quoted at the United Nations by one of the foreign delegates. According to the informant, both the National War College and the U. S. Military Academy used FPA publications in their classes and leading newspapers, including the St. Louis "POST-DISPATCH" and Buffalo "EVENING NEWS" made a habit of reprinting articles from FPA publications. In addition, the League of Women Voters and other national organizations selected the FPA publication "How U. S. Foreign Policy Is Made" as a basic reading material. The informant advised that the FPA, during 1949, also began developing in some of its branches and affiliates successful television programs and began initiating a project to develop community centers of citizens education in major cities across the country and training and placing executives to head these groups. In addition, during 1949, the FPA conducted student programs which they considered as a most important phase of its activities. These programs were built for participation on the high school and university level.

Confidential Informant T-2 reported as of May 8, 1950 that the FPA was a non-profit membership association, which maintained branches in some thirty cities in the U. S. Its officers, directors and branch chairmen were socially prominent individuals, who were in responsible positions in industry and religious circles. According to the informant, the FPA was non-partisan and was supported by membership dues, subscriptions to publications and by contributions from various individuals.

II. OFFICERS

The following are the current officers and members of the staff of the FPA, according to Confidential Informant T-3 who was contacted on May 25, 1950 and according to Confidential Informant T-2, who reported on May 8, 1950. Where available, identifying data are also being set forth below.

A. HEADQUARTERS STAFF

1. President - BROOKS EMENY

According to the 1948-1949 edition of "WHO'S WHO IN AMERICA", BROOKS EMENY was born in Salem, Ohio on July 29, 1901 and has been Associate Professor in International Relations at Cleveland College since 1935 and was Director of the Foreign Affairs Council from 1935 to 1942. He has been President of the Council on World Affairs since 1943 and Consultant for the U. S. Department of State since 1941. He has been a member of the Board of Directors of the Institute of Pacific Relations since 1940.

Confidential Informant T-5, of known reliability, reported on July 28, 1948 that BROOKS EMENY, who took overthe position of President of the FPA in 1947, was well aware of the pro-Soviet political convictions of VERA MICHELES DEAN, Research Director of the FPA, and EMENY has commenced a strong campaign to have her removed from her position.

Confidential Informant T-1 advised on May 31, 1950 that BROOKS EMENY was anti-Communist and was at odds with VERA MICHELES DEAN because of her pro-Soviet convictions.

2. ~~President~~ Emeritus - FRANK ROSS McCOY

The 1948-1949 edition of "WHO'S WHO IM AMERICA" reflects that FRANK ROSS McCOY was born in Lewistown, Pennsylvania on October 29, 1874 and was graduated from the U. S. Military Academy in 1897 and from the Army War College in 1908.

Confidential Informant T-1 advised on May 31, 1950 that FRANK ROSS McCOY had been the President of the FPA prior to BROOKS EMENY and that his present connections with the FPA were purely honorary as a result of which

he had no policy making function. The informant stated that in his opinion, McCOY has always been anti-Communist.

3. Vice-President and National Program Director - THOMAS L. POWER

4. Executive Assistant to the Vice-President - BARBARA WELLS

5. Executive Director - BRACKETT LEWIS

The "DAILY WORKER" of September 28, 1938, reflected that BRACKETT LEWIS was one of theendorsers of the parade sponsored by the AMERICAN LEAGUE FOR PEACE AND DEMOCRACY, which organization has been designated by the Attorney General as coming within the purview of Executive Order 9835.

On May 26, 1950, Confidential Informant T-6, of unknown reliability, advised that BRACKETT LEWIS had formerly been head of the Czechoslovak Desk of the Office of War Information and that he had been instrumental in getting JOSEPH HOFFMEISTER, a known Communist, to subsequently become head of the Czechoslovak Desk of OWI. In the informant's opinion, BRACKETT LEWIS was sympathetic toward the Communists and the informant based this opinion on his association with such individuals as HOFFMEISTER.

On June 6, 1950, Confidential Informant T-7, of known reliability, reported that he has known BRACKETT LEWIS for approximately ten years and had been employed by thw OWI at the same time as LEWIS. According to the informant, LEWIS had been for many years Director of the YMCA in Czechoslovakia and in 1942, LEWIS joined the OWI and was assigned to the Czechoslovak Desk. LEWIS was head of that desk from 1944 to 1945, after which he became Director of American Relief for Czechoslovakia. The informant did not believe LEWIS to be a Communist; however, LEWIS has been closely associated with many Czech Communists and specifically in this regard, the informant advised LEWIS had been instrumental in taking JOSEPH HOFFMEISTER, a Communist, into the OWI, and in addition, was very friendly with JAN FIERLINGER, who was with the Czechoslovak Consulate in New York City from 1940 to 1946 and was now in charge of the Russian Dept. of the Communist Czechoslovak Government in Prague. Informant further stated that LEWIS had formerly been Secretary of the AMERICAN FRIENDS OF CZECHOSLOVAKIA, which organization was cited by the California Committee on Un-American Activities in its 1948 report, page 145.

6. Research Director and Editor - VERA MICHELES DEAN

The 1948-1949 edition of "WHO'S WHO IN AMERICA" reflects that VERA MICHELES DEAN was born in Petrograd, Russia on March 29, 1903, and came to the United States in 1919. She was naturalized in 1928 and was a Research Associate and Editor with the FPA from 1931 to 1938. In 1938, she became Research Director of the FPA. According to "WHO'S WHO", she was author of the following books:

"NEW GOVERNMENTS IN EUROPE" (1934);
"EUROPE IN RETREAT" (1939);
"FOUR CORNERSTONES OF PEACE" (1946);
"RUSSIA: MENACE OR PROMISE?" (1947)

A letterhead of the American Russian Institute, 56 West 45th Street, New York City, dated November 24, 1937, reflects that Mrs. VERA MICHELES DEAN was a member of the Board of Directors of that organization. It is to be noted that the American-Russian Institute has been designated by the Attorney General as coming within the purview of Executive Order 9835.

The New York "POST" newspaper on December 14, 1944, reflected an article captioned "A Woman in Foreign Affairs" written by MARY BRAGGIOTTI, which article concerns VERA MICHELES DEAN and her work as Research Director of the FPA. According to the writer of this article, Mrs. DEAN has stated "It is rather disturbing that there is a new wave of hostility and suspicion about Russia. American public opinion is very mercurial. After Stalingrad, there was enthusiasm. Now, again, there is considerable doubt. While our fears in the past concerned Russia's attitude on property and religion, now people are wondering whether Russia will seek to disunite Europe, Asia or both after the war. It's my belief that Russian Communism never was the danger to the world that it was been represented. It grew out of specifically Russian conditions. But it is true that the Soviet Government from now on will influence peoples more than it ever did with the Communist International. For two reasons: first that its economic and social system has proved able to stand the strain of war; second - it's one of the victors. It may influence the Balkans and certain countries of eastern Europe because these countries are living today in conditions resembling those of Russia in 1917. But I don't think Communism would have any appeal in countries where people have had long experience with the concept and practice of private property".

The New York "HERALD TRIBUNE" newspaper of March 6, 1946 reflected an article captioned "Bomb Secrecy Is Seen Inciting Red Espionage". According to this article, VERA MICHELES DEAN, Research Director of the FPA on the preceding day warned "if, today, we were sure Russia had the atom bomb secret, and we did not, would it be the bounden duty of our government to find out what it could? Russia is only doing what everyone predicted would happen when we announced that we would not share the secret".

According to this article, Mrs. DEAN was referring to Russia's search for atom bomb secrets which was revealed in the Canadian spy arrests. The article further revealed that Mrs. DEAN deplored the "climate of suspicion" in which the post war world seemed to be drifting to another war and urged a more objective study of Russian policy coupled with American foreign policy today. According to Mrs. DEAN "Russia is behaving like a world power on the pattern set by other world powers. Why should we expect from Russia a standard of international conduct higher than that the Western World practices?"

Mrs. DEAN was reported as stating thatpersons who criticize Russia's desire for bases in the Middle East, should inquire into Britain's bases in Gibraltar and the Suez and American bases in Iceland, Greenland and the Pacific. Similarly, she stated that Russia's desire for spheres of economic and political influence should be compared with American policy in the same fields. Mrs. DEAN, according to the article, charged that American opportunism and the cowardice of men in Congress and other governmental offices and not Communist inroads were the real forces endangering democracy.

Confidential Informant T-5 advised on September 10, 1947 that VERA MICHELES DEAN had been trying for some time to secure a visa to visit Russia and eastern Europe, but had not met with success. The informant was of the opinion that she would not succeed in getting a visa, primarily for the reason that the Russians are not interested in showing any outstanding consideration to her, which would act as a "kiss of death". The informant stated that DEAN had been of great help to Russia in writing kindly about the Russian point of view in foreign articles. According to the informant, DEAN was careful to avoid associating herself with any Communist front groups.

The publication, the "NEW LEADER" of December 20, 1947, page 4, column 2, reflected an article captioned "The Teaching of Russian Culture in American Universities", written by ROGER GEORGE PINEHURST. In this article,

PINEHURST refers to Mrs. VERA MICHELES DEAN as the "pro-Soviet Director of the Foreign Policy Association".

On July 28, 1948, Confidential Informant T-5 described VERA MICHELES DEAN as the "guiding light" of the FPA and as being pro-Communist and pro-Russian. This informant on September 15, 1948 reported that recently an individual submitted an article to the FPA in which the Soviet Union was described as a "totalitarian regime". According to the informant, DEAN changed this reference to the Soviet Union to "political dictatorship" and in the informant's opinion, this was typical of the smooth manner in which she always white-washed unfriendly references to the Soviet Union.

On October 7, 1949, Confidential Informant T-4 reported that VERA MICHELES DEAN had written many books about the USSR and has been termed an apologist for the Soviet Union.

On May 31, 1950, Confidential Informant T-1 advised that in the minds of the people and the FPA membership, VERA MICHELES DEAN is the "leading spirit" of the FPA and was the leading policy making official of the FPA because of herposition as Research Director and her position as Editor of the various publications put out by the FPA. The informant stated that BROOKS EMENY, since becoming President of the FPA in 1947, has attempted to have Mrs. DEAN removed from her important position but that he had not been successful to date in carrying this out because of her support by a number of the members of the Board of Directors, who consider her to be very competent and brilliant. The informant stated that she is, in his opinion, a very capable woman and a woman of dynamic personality, who has been successful in influencing a great many of the officials of the FPA. The informant stated she has been accused of being sympathetic to the Soviet Union and an analysis of her writings would bear this out. The informant was of the opinion that her pro-Soviet writings were due to her having been born in Russia and that with the coming of World War II, she, like many other Russian born citizens, became emotionally nationalized and she has continued this emotional nationalism for Russia to the current time.

7. Associate Editor - WILLIAM W. WADE

Confidential Informant T-1 advised on May 31, 1950 that in his opinion WADE had no pro-Soviet or pro-Communist sympathies.

8. Assistant Editor - FELICE NOVICH

9. Assistant Treasurer - CAROLYN MARTIN

Confidential Informant T-1 advised on May 31, 1950 that CAROLYN MARTIN has been connected with the FPA for many, many years and that she is very influential in regard to its policy and is highly regarded. The informant expressed the opinion that she is "politically unassailable", in that she had no sympathies whatsoever for any foreign ideologies.

10. Director, Speakers Bureau - FRANCES J. PRATT

Confidential Informant T-5 advised on July 28, 1948 that FRANCES J. PRATT was on close terms with VERA MICHELES DEAN, who has been described above.

On May 31, 1950, Confidential Informant T-1 advised that in his opinion, FRANCES J. PRATT had no pro-Soviet or pro-Communist sympathies.

11. Director, Washington Bureau- BLAIR BOLLES

The 1948-1949 edition of "WHO'S WHO IN AMERICA" reflects that BLAIR BOLLES was born in St. Louis, Missouri, February 26, 1911 and that he has been a writer for various newspapers and magazines since 1925. From 1935 to 1944, BOLLES was a correspondent for the Washington "STAR" newspaper and has been Director of the Washington Bureau of the FPA since 1944.

On September 10, 1947, Confidential Informant T-5 reported that BLAIR BOLLES of the Washington Bureau of the FPA has been critical of the U. S. foreign policy and has been generally sympathetic to the Communist-Russian point of view. On January 28, 1948, this informant reported that BLAIR BOLLES was "definitely left-wing in sentiments" and had recently deliberately withheld publicity concerning several articles prepared by FPA personnel, which publicity favored the MARSHALL Plan.

On May 26, 1950, Confidential Informant T-6 advised that BLAIR BOLLES has followed the Communist Party line; however, this informant could not furnish any specific instances thereof.

On May 31, 1950, Confidential Informant T-1 advised that BLAIR BOLLES was a journalist who in his opinion was pushing "basic liberal concepts too far", in that he continued to support various issues which give confort to the Communists and the Soviet Union. Informant stated that he could not say that BOLLES was actually a Communist, but that as indicated above, he had in the past supported various issues which had been advocated by the pro-Communist groups.

12. Membership Secretary - ELIZABETH C. FLECKENSTEIN

Confidential Informant T-1 advised on May 31, 1950 that Miss FLECKENSTEIN'S position was not that of a policy making position and that she had never evidenced any pro-Communist or pro-Soviet sympathies.

13. Branch Membership Secretary- HENRIETTA FREDERICKSON

14. Librarian - ODETTE GILCHRIEST

Confidential Informant T-8, of known reliability, has advised that ODETTE GILCHRIEST, 6 Jones Street, New York City, was one of a group of approximately 875 individuals, who had written to the Governor of the State of New York, urging pardon for MORRIS U. SCHAPPES, who was a professor at C.P. the College of the City of New York and who was convicted of perjury in connection with testimony he gave before the RAPP-COUDERT Committee in 1940. SCHAPPES stated he was not a Communist, but it was later proved he was and it was on that account that he was convicted of perjury. The RAPP-COUDERT COMMITTEE was a state legislative committee, which was investigating Communism in the New York City schools.

15. Research Associate - HOWARD C. GARY

Confidential Informant T-8, of known reliability, reported that on October 17, 1949, HOWARD C. GARY, 390 East 2nd Street, Brooklyn, New York, directed a letter to the Soviet Embassy, Washington, D. C., wherein he inquired as to the possibility of obtaining a visa to visit the Soviet Union in that he would like to do research in Moscow. According to the informant, GARY stated "I am a friend of the Soviet Union". It is to be noted that it (U) was ascertained through Confidential Informant T-10 of known reliability on June 8, 1950 that HOWARD C. GARY, who is a Research Associate of the FPA, resides at 390 East 2nd Street, Brooklyn, New York.

16. Research Associate - OLIVE HOLMES

On September 10, 1947, Confidential Informant T-5 reported that OLIVE HOLMES of the FPA was active in the UOPWA, which according to the informant was a Communist dominated union. In addition, this informant reported that HOLMES was a close friend of LAWRENCE ROSINGER, who left the FPA to become a Research Associate with the IPR. Concerning LAWRENCE ROSINGER, it is noted that LOUIS BUDENZ, Assistant Professor at Fordham University, New York City and former Managing Editorof the "DAILY WORKER" and a Communist Party functionary until October, 1945, advised SA WILLIAM J. McCARTHY, JR. that while he had never met ROSINGER, he knew him to be a Communist from official reports he had received from officials of the Communist Party.

On May 31, 1950, Confidential Informant T-1 advised that in his opinion OLIVE HOLMES was very definitely an anti-Communist. The informant stated that when HOLMES first came to the FPA, she was tolerant in a passive way of the Communists, but that as time went on, her anti-Communist sentiments crystallized and she was now definitely anti-Communist.

17. Research Associate - FRED W. RIGGS

18. Office Manager - Mrs. HARRIET KOSTER

B. NATIONAL BOARD OF DIRECTORS

1. Chairman - WILLIAM W. LANCASTER

LOUIS BUDENZ, Assistant Professor at Fordham University, New York City and former Managing Editor of the "DAILY WORKER" and a Communist Party functionary until October, 1945, advised SA WILLIAM J. McCARTHY, JR., on May 8, 1950, that [redacted] was known to him to be a member of the Communist Party based on reports of Communist Party officials which described him as a Communist.

Confidential Informant T-5 reported on April 2, 1943 that [redacted] was a sponsor of the National Council of American-Soviet Friendship, Inc., which organization has been designated by the Attorney General as coming within the purview of Executive Order 9835.

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On June 29, 1944, Confidential Informant T-11, of known reliability, reported that [redacted] of Russian War Relief, Inc. and in this regard, it is noted that on February 28, 1942, BENJAMIN MANDEL, Director of Research, House Committee on Un-American Activities, Washington, D. C., advised that Russian War Relief was a Communist controlled front organization.

The "DAILY WORKER", January 15, 1946, page 5, column 4, reported that [redacted] was re-elected [redacted] of the American Russian Institute, which organization has been designated by the Attorney General as coming within the purview of Executive Order 9835.

2. First Vice-Chairman - C.P. Mrs. ANDREW G. CAREY

Confidential Informant T-12, of known reliability, reported on November 1, 1949 that OWEN LATTIMORE was scheduled to address a meeting sponsored by the FPA in New York City, and that LATTIMORE had secured an invitation to visit the home of Mr. and Mrs. ANDREW G. CAREY after the FPA meeting. Concerning OWEN LATTIMORE, it is noted that LOUIS BUDENZ, Assistant Professor, Fordham University, New York City, and formerly Managing Editor of the "DAILY WORKER" and a Communist Party functionary until October, 1945, advised SA WILLIAM J. McCARTHY, JR., in March, 1950, that although he never met LATTIMORE, he heard of him many times at political meetings of the Communist Party, USA. According to BUDENZ, it had been reported to him that LATTIMORE had been given an assignment that only a trusted Communist Party member would have been given and that JACK STACHEL, a member of the National Committee of the Communist Party, USA, had told him in around 1943 that LATTIMORE was to be treated as a Communist. Further concerning Mrs. ANDREW G. CAREY, it is noted that records of the Credit Bureau of Greater New York reflect a report dated February 7, 1950, which described Mrs. ANDREW G. CAREY as the wife of ANDREW GALBRAITH CAREY, former President of R. CAREY AND BRIGGS, INC. In addition, this report described her as an attorney and former assistant professor of Government at Barnard College, New York City

3. Second Vice-Chairman - H. HARVEY PIKE

On May 31, 1950, Confidential Informant T-1 advised that in his opinion, H. HARVEY PIKE had no pro-Communist or pro-Soviet sympathies.

4. Secretary — JOHN F. CHAPMAN

On May 31, 1950, Confidential Informant T-1 advised that CHAPMAN had formerly been Foreign Editor for "BUSINESS WEEK" and was now an executive with the McGRAW-HILL PUBLISHING COMPANY, INC. in New York City. Informant stated that there was no question but that CHAPMAN was anti-Communist.

5. Treasurer — EUSTACE SELIGMAN

The 1948-1949 edition of "WHO'S WHO IN AMERICA" reflects that EUSTACE SELIGMAN was born in New York City, April 1, 1889 and has been a member of the law firm of SULLIVAN AND CROMWELL in New York City, since 1923. On September 4, 1947, Confidential Informant T-13, of known reliability, reported that EUSTACE SELIGMAN was a sponsor of the American Committee for Yugoslav Relief, Inc., which organization has been designated by the Attorney General as coming within the purview of Executive Order 9835.

On May 31, 1950, Confidential Informant T-1 advised that EUSTACE SELIGMAN was definitely anti-Communist and that it was he who was the leader of the minority group on the Board of Directors of the FPA which were endeavoring to have VERA MICHELES DEAN removed from her position as Research Director, because of her pro-Soviet and pro-Communist sympathies.

6. Other members of the Board of Directors

a. FREDERICK LEWIS ALLEN

The 1948-1949 edition of "WHO'S WHO IN AMERICA" reflects that FREDERICK LEWIS ALLEN was born in Boston, Massachusetts, July 5, 1890 and has been editor of "HARPER'S MAGAZINE" since 1941.

Confidential Informant T-1 reported on May 31, 1950 that FREDERICK LEWIS ALLEN has shown himself to be anti-Communist; however, in regard to the attempts by the minority of the Board of Directors to oust Mrs. DEAN from her position as Research Director because of her pro-Communist and Soviet sympathies, ALLEN has taken a passive position, advising that since he is a new member of the Board of Directors, he has decided to leave the decision as to whether to oust Mrs. DEAN up to the older members of the Board.

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b. ELLIOTT V. BELL

The 1948-1949 edition of "WHO'S WHO IN AMERICA" reflects that ELLIOTT V. BELL was born in New York City on September 25, 1902 and that he has been Superintendent of Banks for the State of New York since 1943 and a former member of the editorial board of the New York "TIMES" newspaper.

On May 31, 1950, Confidential Informant T-1 advised that BELL was now an executive with the McGRAW-HILL PUBLISHING COMPANY, INC. and he had formerly been an economic specialist on the staff of THOMAS E. DEWEY, Governor of the State of New York. The informant was of the opinion that BELL was an anti-Communist.

c. CARROLL BINDER

The 1948-1949 edition of "WHO'S WHO IN AMERICA" reflects that CARROLL BINDER was born in Mechanicsburg, Pennsylvania on February 20, 1896 and that he has been editorial editor of the "MINNEAPOLIS TRIBUNE" newspaper since January 1, 1945.

On September 13, 1949, Confidential Informant T-14, of known reliability, reported that on August 5, 1949, CARROLL BINDER had written to OWEN LATTIMORE, in which letter he expressed the hope that the lectures scheduled by LATTIMORE would bring him to Minneapolis during the following Autumn. OWEN LATTIMORE has been identified above in connection with Mrs. ANDREW G. CAREY.

d. JOSEPH P. CHAMBERLAIN

The 1948-1949 edition of "WHO'S WHO IN AMERICA" reflects that JOSEPH P. CHAMBERLAIN was born in Cleveland, Ohio on October 1, 1873 and has been a Professor of Public Law at Columbia University since 1923 and Director of the EQUITABLE LIFE ASSURANCE SOCIETY OF THE U. S. since 1923.

A release dated August 19, 1941, of the American-Russian Committee for Medical Aid to the USSR, INC., a branch of Russian War Relief, Inc. reflected that Professor JOSEPH P. CHAMBERLAIN of Columbia University was an endorser of that organization. It is to be noted that Russian War Relief has been previously identified above in connection with [redacted]

[redacted]

In addition, Confidential Informant T-15, of known reliability, has reported that JOSEPH P. CHAMBERLAIN was a sponsor of Russian War Relief, Inc., as of November 10, 1941. (U)

On July 2, 1943, Confidential Informant T-16, of known reliability, reported that JOSEPH P. CHAMBERLAIN made a contribution of $200.00 to the American Russian Institute, which organization has been designated by the Attorney General as coming within the purview of Executive Order 9835. (U)

The "DAILY WORKER" of April 9, 1944, page 6, column 8, reported that Professor JOSEPH CHAMBERLAIN of Columbia University was a cooperating sponsor" of a conference sponsored by the Council on African African Affairs, which organization has been designated by the Attorney General as coming within the purview of Executive Order 9835. (U)

Confidential Informant T-17, of known reliability, reported in 1944 that Professor JOSEPH CHAMBERLAIN was the uncle of Mrs. FREDERICK V. FIELD and in this regard it is noted that FREDERICK V. FIELD, according to LOUIS BUDENZ, assistant professor at Fordham University, New York City and Managing Editor of the "DAILY WORKER" and a Communist Party functionary until October, 1945, was known to him as a member of the Communist Party. BUDENZ reported this information on April 5, 1950 to SA WILLIAM J. McCARTHY, JR. (U)

Confidential Informant T-15 reported that Professor JOSEPH P. CHAMBERLAIN was the sponsor of a dinner given under the auspices of the American-Russian Institute on May 7, 1946 in New York City. It is noted that the American Russian Institute has been designated by the Attorney General as coming within the purviewof Executive Order 9835. (U)

e. EDWIN F. CHINLUND

The 1948-1949 edition of "WHO'S WHO IN AMERICA" reflects that EDWIN F. CHINLUND was born in Chicago, Illinois on November 28, 1890 and is now Vice-President and Treasurer of R. H. MACY AND COMPANY, INC. (U)

A 1942 letterhead of Russian War Relief, Inc., reflects EDWIN CHINLUND to be a member of the Executive Committee of that organization, which has been described above in connection with [redacted]. (U)

f. (MISS) ELEANOR CLARK

g. BROOKS EMENY

It is to be noted, as indicated above, BROOKS EMENY is now President of the FPA.

h. CLYDE EAGLETON

The 1948-1949 edition of "WHO'S WHO IN AMERICA" reflects CLYDE EAGLETON was born in Sherman, Texas on May 13, 1891 and is a Professor of International Law at New York University. From 1943 to 1945, he was a legal expert with the U. S. Department of State.

Page 323 of Appendix IX, First Section, House Committee on Un-American Activities, 78th Congress, reflects that CLYDE EAGLETON, Professor at New York University, was one of the signatories of a petition sponsored by the American Committee for Democracy and Intellectual Freedom, which organization was cited as a Communist front by the House Committee on Un-American Activities in its report dated March 29, 1944, page 87.

The "BRONX HOME NEWS" newspaper on January 18, 1945 announced that on January 17, 1945, a panel discussion at the Concourse Plaza, Bronx, New York, was led by Dr. CLYDE EAGLETON, Assistant Secretary to the American delegation at the Dumbarton Oaks Conference. According to this article, the panel discussion was under the auspices of the National Council of American-Soviet Friendship, Inc., which organization has been designated by the Attorney General as coming within the purview of Executive Order 9835.

The "DAILY WORKER" of January 3, 1949, page 7, reflected that Professor CLYDE EAGLETON of New York University, was among a group of individuals who had signed an open letter urging the abolition of the House Committee on Un-American Activities.

i. CLAYTON FRITCHEY

The 1948-1949 edition of "WHO'S WHO IN AMERICA" reflected that CLAYTON FRITCHEY was born in Bellefontaine, Ohio on June 30, 1904 and that he was a correspondent for "TIME" and "LIFE" magazines from 1938 to 1944 and he has been Executive Editor of the "NEW ORLEANS ITEM" newspaper since 1944.

j. W. LEON GODSHALL

k. MRS. LEARNED HAND

The 1948-1949 edition of "WHO'S WHO IN AMERICA" reflects that Mrs. LEARNED HAND is the wife of Judge LEARNED HAND of the U. S. Circuit Court.

l. MRS. BAYARD JAMES

A letterhead dated April 22, 1938 of the Scottsboro Defense Committee reflects that Mrs. BAYARD JAMES was a member of the sponsoring committee of that organization, which organization was cited as a Communist front by the House Committee on Un-American Activities, March 29, 1944, page 177.

m. PAUL U. KELLOGG (Honorary Member)

The 1948-1949 edition of "WHO'S WHO IN AMERICA" reflects that PAUL U. KELLOGG was born in Kalamazoo, Michigan on September 30, 1879 and has been Editor of "SURVEY GRAPHIC" since 1921.

A letterhead dated June 16, 1941 of the Spanish Refugee Relief Campaign reflected that PAUL U. KELLOGG was a sponsor of that organization, which was cited as a Communist front by the House Committee on Un-American Activities, January 3, 1940, page 9.

On May 31, 1950, Confidential Informant T-1 advised that PAUL U. KELLOGG was now only an honorary member of the Board of Directors and as such, had no policy making function. The informant stated that PAUL U. KELLOGG has aided a number of Communist front affiliations in the past.

Page 380 of Appendix IX of the House Committee on Un-American Activities reflected that PAUL KELLOGG was a member of the Committee of the American Friends of Spanish Democracy, which organization was cited as a Communist front by the House Committee on Un-American Activities, March 29, 1944, page 82. In addition page 659 of Appendix IX reflected PAUL U. KELLOGG was a sponsor of the Consumers' National Federation, which was cited as a Communist front by the House Committee on Un-American Activities, March 29, 1944, page 155.

Page 770 of Appendix IX of the report of the House Committee on Un-American Activities reflected that PAUL U. KELLOGG, Editor of the "SURVEY GRAPHIC" was a signer of a letter supporting Borough President STANLEY ISAACS of the Borough of Manhattan in New York City, for the appointment of S. W. GERSON to his staff. According to the above indicated report, GERSON was a former reporter of the "DAILY WORKER", an east coast Communist newspaper.

Page 776 of Appendix IX reflected that PAUL KELLOGG was a sponsor of the Greater New York Emergency Conference on Inalienable Rights, which was cited as a Communist front by the House Committee on Un-American Activities, March 29, 1944, pages 96 and 199.

Page 1168 of Appendix IX reflected that PAUL KELLOGG was a sponsor of the National Committee To Abolish The Poll Tax, which was cited as a Communist front organization by the California Committee on Un-American Activities in its 1947 report, page 45.

Page 1247 of Appendix IX reflects that PAUL KELLOGG was a signer of a message in January, 1943, opposing the renewal of the House Committee on Un-American Activities.

Page 1702 of Appendix IX reflected that PAUL KELLOGG was the sponsor of an advertisement of the Washington Committee to Lift Spanish Embargoes, which organization was cited as a Communist front by the California Committee on Un-American Activities in its 1948 report, pages 335 and 336.

n. MRS. THOMAS W. LAMONT

The 1948-1949 edition of "WHO'S WHO IN AMERICA" reflects that Mrs. THOMAS W. LAMONT is the wife of THOMAS W. LAMONT, Director of J. P. MORGAN AND COMPANY, INC., and Director of the U. S. STEEL CORPORATION.

On April 14, 1942, Confidential Informant T-18, of known reliability, reported that it was announced at a luncheon at the Waldorf-Astoria Hotel in New York City, held on April 14, 1942, that Mrs. THOMAS LAMONT had donated $2,500.00 to the Russian War Relief, Inc., which organization has been previously identified in connection with WILLIAM W. LANCASTER.

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The "DAILY WORKER", September 29, 1943, page 5, column 5, reflected that Mr. and Mrs. THOMAS W. LAMONT were among the sponsors of a "Congress of American-Soviet Friendship", to be held on November 6 and 7, 1943 at the Hotel New Yorker, which Congress was sponsored by the National Council on American-Soviet Friendship, Inc. It is to be noted that this latter organization has been designated by the Attorney General as coming within the purview of Executive Order 9835.

o. RUSSELL K. LAROS

p. MRS. HENRY G. LEACH

The 1948-1949 edition of "WHO'S WHO IN AMERICA" reflects that Mrs. LEACH was born in Villa Nova, Pennsylvania, on October 16, 1884 and from 1925 to 1930, she was State Chairman of the New York League of Women Voters and has been a member of the Advisory Council of that organization since 1937. In addition, she is trustee and secretary of the Board of Directors of the Bryn Mawr College.

In November '47, Confidential Informant T-15 reported that Mr. and Mrs. HENRY G. LEACH were sponsors in 1941 of Russian War Relief, Inc., which organization has been previously identified in connection with WILLIAM W. LANCASTER.

Confidential Informant T-19, of known reliability, has advised that as of October 10, 1941, Mrs. HENRY G. LEACH was a member of the Board of Directors of the American-Russian Institute, which organization has been designated by the Attorney General as coming within the purview of Executive Order 9835.

q. H. NEIL MALLON

The 1948-1949 edition of "WHO'S WHO IN AMERICA" reflects that H. NEIL MALLON was born in Cincinnati, Ohio, on January 11, 1895 and is president and director of DRESSER INDUSTRIES, INC., Cleveland, Ohio, as well as president of the DRESSER MANUFACTURING COMPANY.

Confidential Informant T-20, of known reliability, advised on November 8, 1941, that H. N. MALLON, president of the DRESSER MANUFACTURING

COMPANY, was a member of the American-Russian Institute, which organization has been designated by the Attorney General as coming within the purview of Executive Order 9835.

r. HERBERT L. MAY (Honorary Member)

Confidential Informant T-1 advised on May 31, 1950 that HERBERT L. MAY is only an Honorary Member of the Board of Directors of the FPA at the present time, but that in the past he had been active in representing the FPA in connection with its opium research program. This informant stated that MAY has been very strongly under the influence of VERA MICHELES DEAN, Research Director of the FPA and has supported her.

s. WILLIAM A. McAFEE

t. GENERAL FRANK ROSS McCOY (Honorary Member)

It is to be noted that, as indicated above, GENERAL FRANK ROSS McCOY is President Emeritus of the FPA.

u. JAMES G. McDONALD (Honorary Member)

The 1948-1949 edition of "WHO'S WHO IN AMERICA" reflects that JAMES G. McDONALD was born in Coldwater, Ohio, on November 29, 1886 and that from 1938 to 1942, he was president of the Brooklyn Institute of Arts and Sciences and was active as a radio news analyst from 1942 to 1944.

Confidential Informant T-1 advised on May 31, 1950 that McDONALD is completely out of the picture at the present time insofar as the FPA is concerned and that his only connection with the organization is in an honorary capacity. The informant stated that McDONALD is the U. S. Ambassador to Israel at the present time.

v. EDWARD S. MORRIS

w. MISS ESTHER G. OGDEN (Honorary Member)

x. JOHN C. PARSONS

y. CHARLES E. SALTZMAN

The 1948-1949 edition of "WHO'S WHO IN AMERICA" reflects that CHARLES E. SALTZMAN was born in Zamboango, Philippine Islands on September 19, 1903 and that he has been Assistant Secretary of State for the occupied areas of Germany, Austria and Japan since July, 1947.

z. JAMES D. SHOUSE

aa. H. ALEXANDER SMITH (Honorary Member)

The 1949 "Congressional Directory" reflects that H. ALEXANDER SMITH was elected to the U. S. Senate from the State of New Jersey in November, 1944 and was re-elected in November, 1946.

bb. CHARLES L. STILLMAN

The 1948-1949 edition of "WHO'S WHO IN AMERICA" reflects that CHARLES L. STILLMAN was born in New York City on January 5, 1904 and is Vice-President of TIME, INC.

cc. JAMES P. WARBURG

"CURRENT BIOGRAPHY" for 1948 reflects that JAMES P. WARBURG was born in Hamburg, Germany on August 18, 1896 and that he is a banker and author. WARBURG at one time was a member of the "brain trust" of the late President FRANKLIN D. ROOSEVELT and is author of books on political and economic affairs. In 1942, WARBURG was appointed Deputy Director of the Overseas Branch of the Office of War Information.

A program of a "Dinner for Racial and National Unity" at the Hotel Roosevelt, New York City, April 2, 1944, reflects that JAMES WARBURG was sponsor of that dinner, which was given under the auspices of the National Federation of Constitutional Liberties, which organization has been designated by the Attorney General as coming within the purview of Executive Order 9835.

The "Report on the American-Slav Congress and Associated Organizations", dated June 26, 1949, and released by the House Committee on

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Un-American Activities reflects that JAMES P. WARBURG was a sponsor as of August 6, 1945 of the American Committee for Yugoslav Relief, Inc., which organization has been designated by the Attorney General as coming within the purview of Executive Order 9835.

dd. ARTHUR L. WHITTEMORE

III. STATED AIMS AND OBJECTIVES

The publication "The FPA in War Time", which was published in September, 1940 and which was reviewed at the New York Public Library, reflects, "the men and women who founded the FPA believed that the American people should be provided with impartial and accurate information on international affairs, so that, as citizens of a democracy, they would be equipped to reach their own conclusions concerning issues of foreign policy that might arise after the world war".

The publication "Twenty-five Years of the FPA, 1918-1943", as reviewed at the New York Public Library, reflects that the first constitution of the League of Free Nations Association, which was the name of the subject organization before it became the FPA, in its constitution adopted in December, 1918, reflects a statement of purpose as follows:

"Careful study of all sides of every important international question effecting the U.S. and.....communication of the results of such study to as large a number of the American people as possible".

The articles of incorporation of the FPA, as reviewed at the office of the Clerk of the County of New York, on May 19, 1950, reflects the purpose of the FPA "is to carry on research and educational activities to aid in the understanding and constructive development of American foreign policy".

IV. SUBVERSIVE RAMIFICATIONS

A. COMMUNIST PARTY AND SOVIET CONNECTIONS

Confidential Informant T-21, of known reliability, reported in June, 1927 that the FPA was considered as being pro-Russian in its views and proposals.

Confidential Informant T-22, of unknown reliability, advised in January, 1927 that the FPA was sponsored in its inception by the American Civil Liberties Union and that it favored recognition of Soviet Russia.

Confidential Informant T-4 reported, as of November 22, 1935, that the FPA staff members are of the so called "liberal" or "sociologist" type, some of them inclined to be "pinkish" in their political views. The informant at this time stated that the publications of the FPA were well documented, well presented and concise, but that the information contained therein was at times subtly chosen to favor a particular viewpoint. The informant did not specify as to the viewpoint involved.

The New York "TIMES" and New York "HERALD-TRIBUNE" newspapers of May 31, 1937, carried an account of an open-air peace festival, staged in the Municipal Stadium on Randalls Island, New York, as an observance of United Youth Day. According to these newspapers, twelve organizations sponsored this affair and among them was the FPA which sponsored the affair in a consultative capacity. It is to be noted that according to these articles, the affair was also sponsored by the American Youth Congress and National Negro Congress, both of which organizations have been designated by the Attorney General as coming within the purview of Executive Order 9835. In addition, it was sponsored by the American League Against War and Fascism, which organization was cited as a Communist front by the House Committee on Un-American Activities in its report dated March 29, 1944, page 53.

According to the above indicated newspapers, JAMES A. WECHSLER, Editor of the "Student Advocate", presided at the festival and it is to be noted that the California Committee on Un-American Activities, on page 377 of its 1948 report, reflects that the "Student Advocate" was "published by the Communist-front American Students Union".

In June, 1937, Confidential Informant T-22 advised that an important part of the strategy of a recent student peace strike had been worked out at the offices of the FPA. According to the informant, the peace strike was directed by the Communist Party.

The publication "Twenty Years of the FPA, 1918-1938", as reviewed at the New York Public Library, reflects that among greetings sent to the FPA on its twentieth anniversary was one from LEE PRESSMAN, General Counsel of the CIO, in which greeting, PRESSMAN stated "It is extremely important that the FPA continue its splendid work in research and educational activities to aid in the understanding and constructive development of American foreign policy".

It is to be noted that WHITTAKER CHAMBERS, self-confessed former espionage agent, has advised SA THOMAS G. SPENCER that LEE PRESSMAN had been active in a Communist Party underground group, active in the middle 1930s in Washington, D. C. and LOUIS BUDENZ, Assistant Professor at Fordham University and a Communist Party functionary until October, 1945, has advised SA WILLIAM J. McCARTHY, JR., that LEE PRESSMAN was known to him to have been a member of the Communist Party.

Confidential Informant T-23, of known reliability, reported that on December 18, 1940, a check in the amount of $5.00, payable to the FPA was made out by the Consul General of the USSR in New York City. The
(U) informant could not advise [illegible] as to what this check covered.

Confidential Informant T-24, of known reliability, reported in 1941 that mail from the FPA was received by the CONTEMPORARY BOOKSHOP in Pittsburgh, Pennsylvania, which bookshop, according to Confidential Informant T-25, of known reliability, sold Communist Party literature and in 1945 had been operated by MIRIAM SCHULTZ, Literature Director of District #5 of the Communist Political Association.

Confidential Informant T-26, of known reliability, advised in 1941 that during the fiscal year ending June 30, 1937, the FPA was among a group of organizations receiving financial aid from the AMTORG TRADING CORPORATION. The informant could not furnish the exact amount of financial aid given to the FPA by the AMTORG TRADING CORPORATION, but stated that the FPA was among a group of organizations which received regular and important payments ranging in amounts from $2,000.00 to $5,000.00. In this regard it is noted that

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Confidential Informant T-5 reported on July 17, 1942 that the FPA received a contribution of $5,000.00 from the AMTORG TRADING CORPORATION during the fiscal year ending June 30, 1937. It is to be noted that Confidential Informant T-27, of known reliability, has advised that the AMTORG TRADING CORPORATION was the sole Russian purchasing agency in the U. S.

Confidential Informant T-5 advised on July 17, 1942 that in February 1942 the FPA undertook to distribute pamphlets describing life in several allied countries, which pamphlets were to be distributed to the members of the Armed Forces of the U. S. Among these pamphlets, there was an article entitled "Russia at War", written by VERA MICHELES DEAN of the FPA and according to the informant, this article treated Communism with so much sympathy that it was prohibited by the military authorities, who described the article as "candy-coated Communist propaganda."

The records of the Bureau of Special Services and Investigations of the New York City Police Department, 400 Broome Street, New York City, as checked on May 22, 1950 by SA [redacted] reflected that the FPA participated in the eighth anniversary educational conference, Local 555 of the Teachers Union of the UPW, which conference was held at the Hotel Commodore, New York City, April 29, 1944. According to the informant, the FPA distributed literature at this conference.

It is to be noted that the UPW, according to "The CIO News", February 20, 1950, was expelled from the CIO because it was a "Communist dominated" union.

Confidential Informant T-28, of known reliability, has advised that on April 9, 1945, the New York State Communist Political Association made out a check in the amount of $2.40, the payee being "Foreign Policy Association (Pamphlets)."

"The New Leader", March 29, 1947, page 14, reflected an open letter to the FPA, written by ALFRED KOHLBERG, Chairman of the Executive Committee of the American China Policy Association. In this letter KOHLBERG indicated that the Executive Committee of his organization had instructed him to call the attention of the FPA to the method of its handling of the China situation. KOHLBERG pointed out that the FPA experts on China during the preceding seven or eight years had been T. A. BISSON and L. K. ROSINGER, both of whom the American China Policy Association, according to KOHLBERG, considered to be pro-Communist in sympathy and neither were considered to be competent to objectively view the China situation.

Concerning T. A. BISSON, it is to be noted that LOUIS BUDENZ, Assistant Professor at Fordham University and a Communist Party functionary until October, 1945, advised SA WILLIAM J. MC CARTHY, JR., in April, 1950, that while he had never met BISSON, he knew him to be a Communist based on official reports made to him by Communist Party officials.

Concerning L. K. ROSINGER, it is to be noted that LOUIS BUDENZ, in April, 1950, advised SA WILLIAM J. MC CARTHY, JR., that while he had never met ROSINGER, he knew him to be a Communist from official reports he had received from officials of the Communist Party.

"The New Leader", April 19, 1947, page 4, reflected an article captioned "REORGANIZATION OF FOREIGN POLICY ASSOCIATION", written by FRED PORTER. This article stated that the FPA had appointed Dr. BROOKS EMENY, head of the Cleveland Council on World Affairs, to the post of President of the FPA and has thus ended a "critical" period during which it was under the policy-making control of VERA MICHELES DEAN, Research Director of the FPA. According to the article, DEAN'S writings have frequently been accused of pro-Soviet bias. The article went on to say that Mrs. DEAN had consolidated her position in the FPA after the resignation in May, 1946 of Major General FRANK ROSS MC COY from the presidency of the FPA. The article claimed that MC COY'S resignation was followed by a replacement

of key personnel at the national headquarters of the FPA in New York City, which included the withdrawal of DOROTHY F. LEET, who had been the Executive Secretary of the FPA for eight years. It was claimed in the article that Mrs. DEAN was able to extend her control over the activities of the FPA by having herself named Director of Publications, as well as Director of the Research Department, thus assuming full control over the three periodicals published by the FPA, namely the "Foreign Policy Bulletin", "Foreign Policy Reports" and the "Headline Series". The article claimed that this development lead to the resignation of WALTER O. WILCUS, who had acted as assistant to the president under General McCOY.

The article also stated thatalthough a pro-Soviet slant and a reluctance to deal with the problem of Communism had marked the FPA publications, ever since the late RAYMOND LESLIE BUELL was replaced by Mrs. DEAN as Research Director, this trend became even more extensive after the resignation of General McCOY. It was claimed that the FPA Board of Directors agreed on the selection of Dr. BROOKS EMENY only after many months of persistent, although skilfully veiled opposition from Mrs. DEAN. The article further stated that the new leader of the FPA, BROOKS EMENY, was making efforts to counteract the public impression which the writings of Mrs. DEAN had created and it was felt by the writer of the article that there was no question about the sincerity of most of the members of the association's Board and its Research staff. The article indicated that individual members of the Board of Directors had long been alarmed by the persistent trend in the FPA publications to give the hard facts of world affairs pro-Soviet "sugar-coating". It was claimed that this has been evidenced particularly in Mrs. DEAN'S writings through an aura of academic dignity and pretension of fairness. The article pointed out that even more important that the contents of the FPA publications, has been the subjects which have not been treated, specifically the avoidance of problems which might reveal Soviet expansion and Communist trojan-horse methods.

The article pointed out that the "DAILY WORKER" had approved the speeches made by the Far East expert of the FPA, Laurence K. Rosinger at a recent FPA luncheon at the Waldorf-Astoria in New York City. It is to be noted, as indicated above, LOUIS BUDENZ has advised that ROSINGER was known to him as a Communist Party, based on official reports made to him.

"The NEW LEADER" of May 17, 1947, page 15, reflected a letter written to the editor by FREDERICK LEWIS ALLEN, a member of the Board of Directors of the FPA, which letter was in answer to the article written by FRED PORTER, which in substance has been set out above. In his letter, ALLEN defended VERA MICHELES DEAN and ALLEN stated he would characterize the Directors of the FPA as "anti-Communist liberals" and he would characterize Mrs. DEAN in the same manner. ALLEN alleged that if she sometimes seemed to some observers to argue on behalf of Russia, this was not because of any sympathy with Communism, but because of the strength of her feeling that the U. S. must do its best to understand the Russia in which she was born. ALLEN stated that Mrs. DEAN enjoys the full confidence and respect of the Board of Directors of the FPA.

Confidential Informant T-5 reported on September 10, 1947 that VERA MICHELES DEAN was the "guiding light" of the FPA and had been of great help to Russia because of her writings in a "kindly way" about Soviet Russia. The informant claimed that Mrs. DEAN was careful to avoid associating herself with Communist front groups.

In addition, the informant stated that BLAIR BOLLES, Director of the Washington Bureau of the FPA, had been critical of the U. S. foreign policy and had been generally sympathetic to the Communist-Russian point of view.

In addition, the informant reported that the UOPWA represented a number of the employees of the FPA, which union the informant considered to be Communist dominated.

On February 18, 1948, Confidential Informant T-5 advised that "strong left-wing" tendencies continue to prevail in the FPA and that the "left-wing" group exerted influence through the publications of the FPA. The informant advised that the publication "FPA Shop Bulletin" was published by the employees of the FPA, who were members of the UOPWA and that this publication went along with certain segments of the CP line. Indicative of this was the February 6, 1948 issue of the "FPA Shop Bulletin", wherein the FPA membership endorsed a recommendation to support the campaign of HENRY A. WALLACE and in addition, in this issue, the documentary film "Deadline For Action" put out by the UERMWA, was advertised. This union according to the informant was Communist dominated.

The "STANDARD-TIMES" newspaper of New Bedford, Massachusetts, April 27, 1948, reflected an article captioned "Fight in FPA Hits New Peak", written by JULIUS EPSTEIN. The article stated that the "long fought battle" against Mrs. VERA MICHELES DEAN had reached a new peak with the resignation of ALFRED KOHLBERG from his twenty year old membership in the FPA. The article set out a letter written by KOHLBERG, dated April 5, 1948, which letter was written to the FPA in connection with his resignation therefrom. In his letter KOHLBERG accused the research staff of the FPA of Communist Party line "pontifications", particularly Mrs. DEAN and T. A. BISSON and L. K. ROSINGER, who have been previously described above. KOHLBERG in his letter was critical of articles written by Mrs. DEAN and mentioned specifically her apology for the Russo-Nazi alliance and her accusation of equal American culpability. The article written by EPSTEIN pointed out that it is interesting to note that L. K. ROSINGER had been dismissed a few days previous, which might be construed as the first concession to the many critical voices being raised against Mrs. DEAN and her group.

On July 28, 1948, Confidential Informant T-5 advised that in the fall of 1947, when BROOKS EMENY was appointed President of the FPA, there was some speculation as to whether he would fall under the influence of VERA MICHELES DEAN, but that it had since been seen that EMENY was well aware of the political convictions of Mrs. DEAN and had commenced a strong campaign to have her replaced. The informant also stated that WILLIAM W. LANCASTER, Chairman of the Board of Directors, was not pro-Communist but apparently had been taken in by Mrs. DEAN and had been a staunch supporter of her. Informant stated that other "left-wing" elements in the FPA included BLAIR BOLLES, Director of the Washington Bureau and OLIVE HOLMES of the Research Department.

On September 15, 1948, Confidential Informant T-5 advised that recently an article had been submitted to the FPA which referred to the Soviet Union as a "totalitarian regime", which Mrs. VERA MICHELES DEAN had changed to read "a political dictatorship". The informant claimed that this was typical of the "smooth manner" in which she always whitewashed unfavorable references to the Soviet Union.

Confidential Informant T-31, of unknown reliability, advised in 1949 that the office workers of the FPA were members of Local 18 of the UOPWA, which this informant described as being very "red". It is to be noted that "The CIO News" of February 20, 1950, page 6, column 1, reported that the CIO Executive Board had voted to expel the UOPWA from the CIO, effective March 1, 1950 for "consistent, unwavering support of the policies of the Communist Party."

On October 7, 1949, Confidential Informant T-4 reported that although the FPA might be considered infiltrated to a very limited degree, it was considered to be anti-Soviet and anti-Communist. The informant stated that the articles and publications of the FPA presented an impartial and intelligent approach to matters concerning American foreign policy. However, its Research Director, VERA MICHELES DEAN, had written many books about the Soviet Union and has been termed an apologist for the Soviet Union. VERA MICHELES DODD

see incorrect original ltr. to Dodd in this ref.

Confidential Informant T-32, of known reliability, reported that on August 19, 1949, THOMAS L. POWER of the FPA contacted OWEN LATTIMORE and requested his appearance on a program of the FPA, scheduled for November 1, 1949. LATTIMORE was to speak on the subject "What Should Be Our Policy in Asia". The informant also advised that VERA MICHELES DEAN and THOMAS L. POWER felt that LATTIMORE should be one of the speakers at the above indicated function.

Concerning OWEN LATTIMORE, it is to be noted that LOUIS BUDENZ, former Communist Party functionary until October, 1945, advised SA WILLIAM J. MC CARTHY, JR., in March, 1950 that although he never met LATTIMORE, he heard of him many times at political meetings of the Communist Party, USA and that he had been told by Communist Party functionaries to treat LATTIMORE as a Communist.

Confidential Informant T-33, of known reliability, advised on December 9, 1949 that on November 2, 1949, FREDERICK VANDERBILT FIELD made out a check in the amount of $10.00, payable to the FPA. Concerning

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Frederick Vanderbilt

FIELD, it is to be noted that on April 5, 1950, LOUIS BUDENZ, Assistant Professor at Fordham University and a Communist Party functionary until October, 1945, advised SA WILLIAM J. McCARTHY, Jr. that he knew FIELD as a member of the Communist Party and had seen him at closed meetings of the Communist Party.

On May 29, 1950, Confidential Informant T-34, of known reliability, was interviewed. It is to be noted that this informant was an important Communist Party functionary in Europe until approximately 1926 and had formerly been a member of the Communist International. The informant advised that during the time he was active in the Communist Party, he had never heard of the FPA and pointed out that in the early years of the Communist Party, the technique of establishing Communist fronts had not been utilized. In addition, the informant stated that during the 1920s, the Communist International was not particularly interested in the United States and that it was not until the early 1930s, when it became interested in the United States, particularly because Russia was seeking recognition by the United States. The informant stated that any Communist fronts existing in the United States during the 1920s were probably spontaneous and were not directly established by the Communist International.

This informant stated that he came to the United States in the early 1940s and has since read publicatios and material put out by the FPA, but has never made a complete study of it. It was the informant's evaluation of this material that quite some of it reflected a pro-Soviet viewpoint and it was the informant's opinion that the FPA was the type of organization which would attract many anti-fascist refugees who had pro-Communist tendencies. The informant has read a number of the books and articles written by VERA MICHELES DEAN, Research Director of the FPA and in the informant's opinion, they represent a bias toward the Communist and Soviet position. It was the informant's observation that since Mrs. DEAN had not travelled in Russia during the period covered by her articles and books, it may be that her pro-Communist bias was due to some pro-Communist associates and advisors. It was also the informant's opinion that Mrs. DEAN seems to be confused as to Soviet Russia, she being altogether too apologetic for some of its actions.

On May 29, 1950, Confidential Informant T-35, of known reliability, was interviewed. It is to be noted that this informant was active in the Communist Party in New York City from approximately 1935 to 1937 and his activities had brought him in contact with a number of Communist leaders on the Federal Writers Project. The informant stated that during the period of

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his activities in the Communist Party, it had come to his attention that the Party had a strong Communist faction working in the FPA; however, the informant never learned the identities of these individuals and had no idea as to what success the Party had in continuing its infiltration to the present date. The informant also advised that he has read quite some of the material published by the FPA and it was his observation that some of it was pro-Soviet and pro-Communist and on the other hand, quite some of it was anti-Soviet and anti-Communist.

On May 31, 1950, Confidential Informant T-36, of known reliability, was interviewed. It is to be noted that this informant was formerly active in the diplomatic services of Soviet Russia prior to the 1940s and in connection therewith, he has knowledge and information of a general nature concerning the position and activities of agents in various Soviet intelligence establishments. The informant stated that during the time that he was active in the diplomatic services of Soviet Russia, he had never heard anything concerning the FPA. The informant stated that subsequently, after he came to the United States and had severed his connection with Soviet Russia, he has read and followed material published by the FPA and especially that published by VERA MICHELES DEAN, its Research Director. The informant also advised that he has heard speeches and lectures of Mrs. DEAN and in his opinion she has extremely subtle Soviet views, she is always defending the Soviet Union and apologizing for any of its actions. The informant stated that other than Mrs. DEAN and her pro-Soviet sympathies, it was his understanding that the FPA was a reliable organization and that there are many prominent individuals connected therewith far above suspicion as far as loyalty to the United States is concerned.

On May 31, 1950, Confidential Informant T-37, of known reliability was interviewed. It is to be noted that this informant was active in the Communist Party from about 1927 to 1935 and had been connected with a number of Communist Party publications during that period. The informant stated that while he was active in the Party, the FPA was never a Communist front and was not so regarded by the Party. The informant stated that the Party regarded the FPA as a "confused liberal organization", which could be used and was used by the Party. The informant stated that he knewthat the Party had some people inside of the organization and that they consisted of a rather small but influential group. The informant could not identify at this time any of these individuals. The informant also pointed out that the FPA was for recognition of the Soviet Government before 1932 and that it has at times apologized for the Soviet foreign policy.

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The informant stated that Mrs. VERA MICHELES DEAN, the Research Director of the FPA, was an important individual and it was his observation that her policy was to pretend to be non-Communist or anti-Communist, but actually she was an apologist for Russia. The informant stated that he did not think she was pro-Communist, but rather an apologist, which the informant considered just as dangerous. The informant also stated that he believes that recent public opinion against Russia has resulted in a change in some of the apologetic material put out by the FPA on behalf of Soviet Russia.

On May 31, 1950, Confidential Informant T-1 advised that the FPA in his opinion was never a Communist front organization, nor did the informant believe that the FPA, with any consistency, followed the Communist Party line. The informant stated that rather its publications and literature have created a high degree of tolerance toward the views and policies of the Soviet Union and have avoided dealing with or criticizing the methods and polities of Communism and Soviet Russia. The informant stated that he felt the FPA was all right until approximately 1938, when RAYMOND LESLIE BUELL resigned his position as Research Director and VERA MICHELES DEAN became the Research Director. It was at this time that a change in the whole FPA took place and in the informant's opinion, this was entirely due to Mrs. DEAN, who in the mind of the public and in the mind of the FPA membership is the "guiding spirit" of the FPA.

The informant advised that Mrs. DEAN has been accused of sympathy to the Soviet Union and an analysis of her writings and the output of the Research Department bears this out. This analysis disclosed that Mrs. DEAN and the Research Department have been very easy with the Soviet Union and the informant stated thatMrs. DEAN is very "elusive" in her "subtle pathmaking" for the Soviet Union. The informant stated that Mrs. DEAN and her Research Department have steered clear of any forthright and objective evaluation of the role of the Soviet Government and the Communist movement as played in regard to world affairs. The informant stated that he was critical of Mrs. DEAN and the Research Department chiefly because of their abstention from mentioning anything which would be derogatory insofar as Communism or the Soviet Union were concerned.

The informant stated that an evaluation of the material put out by Mrs. DEAN and the Research Department seems to reflect very little, if anything as far as Soviet slave labor is concerned and also fails to reflect very much, if anything as far as the lack of freedom of the press in Soviet Russia and also very little on the current strategy and practice of the present Soviet movement.

The informant advised that these abstentions had been called to the attention of the FPA in "THE NEW LEADER" in 1947; however, even after this, Mrs. DEAN failed to publish material which might be derogatory as far as Soviet Russia and Communism were concerned. The informant stated that it was his observation that in her personal conversations, Mrs. DEAN has emphasized that Communists and Communism as such should not be considered unusual, and indicated she felt an injustice was being done by a wholesale indictment of Communism. Informant recalled that in the Fall of 1945, Mrs. DEAN visited the Soviet occupied zone of Berlin in Germany and had a talk with the Commanding Soviet General. The informant felt that this was somewhat "indelicate" and an indication of her sympathy toward Soviet Russia. Informant also advised that Mrs. DEAN was very strong in the FPA and it was the informant's personal belief that her emotional ties with Russia, she having been born in Russia, were brought out during the war period. It was the informant's recollection that prior to the war, she had been more critical of Russia, but that during the war period it seems she recaptured her emotional attachment to Russia and the informant is of the opinion that she has not lost that attachment since that time.

Vera Micheles

However, the informant was of the opinion that Mrs. DEAN was not a member of the Communist Party and that she considered herself not anti-Communist but rather non-Communist. Mrs. DEAN is not connected with any Communist front organizations and in this regard she has stated that the FPA is a non-partisan organization and therefore its officers should refrain from being connected with any outside organizations. The informant also advised that Mrs. DEAN has the support of a great many of the Board of Directors, such as WILLIAM W. LANCASTER, its Chairman and JOSEPH P. CHAMBERLAIN, another member of the board. The informant stated that Mrs. DEAN is a very persuasive and competent individual.

In addition to Mrs. DEAN, the informant stated that LANCASTER and CHAMBERLAIN have had a numberof Communist front connections and that BLAIR BOLLES, in the informant's opinion, was pushing "basic liberal concepts too far". The informant further advised that EUSTACE SELIGMAN, a member of the Board of Directors, has been consistently critical of Mrs. DEAN and her pro-Soviet views and that BROOKS EMENY, who became President of the FPA in 1947, was disgusted with her. The informant stated that since EMENY has taken over the presidency of the FPA, he has emphasized the organizational side of the FPA'S activities, particularly lectures, forums and discussions, rather than complete emphasis on the publication of literature, which has resulted in a reduction of the influence of Mrs. DEAN. The informant also stated that after EMENY became president and during 1948, it was noticed that Mrs. DEAN published

almost nothing concerning Soviet Russia, but it has been the informant's observation that recent articles again seem to be in a similiar vein to those published prior to 1948, namely apologetic toward Russia and still sticking to the policy of not openly criticizing the Soviet Union.

Informant stated that another criticism of Mrs. DEAN was the manner in which she staffed her Research Department and in this regard he pointed out that she appointed LAURENCE K. ROSINGER to the staff, whom the informant stated was very obviously pro-Communist and who, it is to be noted, has been identified as a member of the Communist Party by LOUIS BUDENZ, as set out in an earlier portion of this report. In addition, the informant stated that a great many of the members of the staff in New York City were from the UOPWA, which the informant described as a Communist dominated union.

Informant also stated that if there was a Communist faction operating in the FPA, he felt that the following three individuals were members of the same:

ELEANOR FLEXNER
LAURENCE K. ROSINGER
HELEN TERRY

In regard to the above individuals, the informant stated that none of them is presently associated with the FPA.

Concerning ELEANOR FLEXNER, mentioned above, it is to be noted that Confidential Informant T-38, of known reliability, reported on April 31, 1945, that ELEANOR FLEXNER was a member of the Stuyvesant Club of the Communist Political Association in New York City and that on January 9, 1945, she was nominated by the Exectuive Committee of that Club. In addition, Confidential Informant T-39, of known reliability, advised on March 31, 1948 that ELEANOR FLEXNER was working for the Congress of American Women in New York City, which organization has been designated by the Attorney General as coming within the purview of Executive Order 9835.

Further, concerning HELEN TERRY, mentioned above, it is to be noted that a throwaway, captioned "So That America Shall Remain Free! Demonstrate At Foley Square" reflects that HELEN TERRY of the UOPWA was among a group of trade union leaders, who had called for a demonstration at Foley Square on July 21, 1949 on the occasion of the first anniversary of the indictment by the U. S. Government of the Communist Party leaders. This throwaway was

handed to SA [redacted] by an individual distributing the same at Chambers and Church Streets in New York City on July 21, 1949. It is also noted that Confidential Informant T-1 has advised that HELEN TERRY when she resigned the FPA, went with the UOPWA.

Further, concerning LAURENCE K. ROSINGER, mentioned above, it is to be noted that it has been previously reported in this report that LOUIS BUDENZ advised he knew ROSINGER to be a Communist, based on official reports he had received from officials of the Communist Party.

(U) On June 1, 1950, Confidential Informant T-40, of known reliability, advised that he was familiar with the FPA, which published a number of publications. According to the informant, copies of one of these publications, which he believed to be the "FOREIGN POLICY BULLETIN" were received and reviewed by the top Communist Party leadership on the ninth floor of Communist Party headquarters in New York City in 1945 and 1946. The informant stated that these top leaders, such as EARL BROWDER, EUGENE DENNIS, received this bulletin apparently for informational purposes and it was the informant's observation that these officials considered this "must" reading, since the bulletin contained information on the Far East and European affairs.

(U) The informant advised thathe had observed these bulletins on file in the office of EARL BROWDER who was formerly Chairman of the Party and apparently were used for reference and research by BROWDER. The informant could not say whether the Communist Party had any influence on the FPA or its publications, but that there was no doubt that the Party would try to place people in positions of influence in the FPA, but he could not say whether they had had any success. The informant was of the opinion that the Party had not been too successful in regard to the FPA.

On June 1, 1950, Confidential Informant T-41, of known reliability, was interviewed. It is to be noted that the informant was active as a functionary of the Communist Party until approximately 1940 and that while he had been active, he had never heard of the FPA at any meetings of the Central Committee of the Communist Party, USA or at any other meetings of the Communist Party. The informant stated that this would indicate to him that the FPA was all right, insofar as Communist connections were concerned, at least during the period he was active in the Party.

On June 2, 1950, LOUIS BUDENZ, Assistant Professor at Fordham University, Bronx, New York, and former Managing Editor of the "DAILY WORKER"

and a Communist Party functionary until October, 1945, advised SA WILLIAM J. McCARTHY, JR., that he had heard at political committee meetings of the Party statements to the effect that the Communist Party had "forces" in the FPA. It was his recollection that EUGENE DENNIS made these reports and that they were made during the 1940s. BUDENZ could not recall any additional information concerning the FPA and he did not know how large a force the Communists had in the FPA. He did state, however, that he had never heard of the FPA as being Communist controlled and after a review of a list of its officers, he could not identify any of them as being Communist Party members.

On June 2, 1950, ALFRED KOHLBERG, 1 West 37th Street, New York City, who is a wealthy importer of Chinese textiles, was interviewed by SA [redacted] and SA [redacted] KOHLBERG stated that he had been a member of the FPA off and on for a period of approximately twenty years and had resigned approximately two years ago. KOHLBERG pointed out that he had never had any part in the operation of the FPA, although he had attended some of its meetings. KOHLBERG advised that T. A. BISSON had been one of the experts of the FPA on China, as well as LAURENCE K. ROSINGER, both of whom he considered to be incompetent as far as China was concerned. KOHLBERG felt that both BISSON and ROSINGER was sympathetic to the Chinese Communists. (U)

In addition, Mr. KOHLBERG stated that in April, 1948, he had written to BROOKS EMENY, President of thw FPA, about an article written by VERA MICHELES DEAN in the "FOREIGN POLICY REPORTS", which article was entitled "NAZI-SOVIET RELATIONS, 1939-1941", which KOHLBERG felt to be "treasonable", in that it was pro-Soviet in tenor. KOHLBERG could furnish nothing additional concerning the FPA. (U)

On June 5, 1950, Confidential Informant T-42, of known reliability, was interviewed. It is to be noted that this informant was active in the Communist Party until 1947. The informant stated that from his recollections and experiences in the Communist Party, the FPA had no definite connection with the Party and the informant stated he had never heard of any Party infiltration or espionage set up in the FPA. (U)

On June 6, 1950, Confidential Informant T-43, of known reliability, was interviewed. The informant stated that he knew RAYMOND LESLIE BUELL, now deceased and who had been former Research Director of the FPA. The informant recalled that RAYMOND LESLIE BUELL had formerly been connected with the Council on African Affairs, a known Communist front, but that BUELL had left that organ- (U)

ization because of his anti-Communist views. In addition, the informant recalled that in about 1939, VERA MICHELES DEAN, Research Director of the FPA, was a judge in a high school debate along with two other judges, both of whom were known for their pro-Communist connections. The informant stated that he believes Mrs. DEAN to be somewhat pro-Communist in her sympathies. The informant further stated that it was his overall impression that there was no Communist influence in the FPA and he had never heard of it being Communist infiltrated or dominated. (U)

On June 9, 1950, ELIZABETH T. BENTLEY, a self-confessed espionage agent, was interviewed by SA THOMAS G. SPENCER, at which time she advised that she first heard of the FPA in 1935 and read some of its articles and material during the period 1935-1937. She recalled that someof the material she read during this time appeared to follow the Communist Party line. Miss BENTLEY could not recall the specific pamphlets or what the specific subject matter was that she read. It was her recollection that at least from 1935 to 1937, the FPA was not Communist dominated, but it was her opinion that there was some Communist influence. Since 1937, Miss BENTLEY has not had occasion to read any material put out by the FPA. Miss BENTLEY reviewed a list of the officers of the FPA and she advised that she did not know any of them being pro-Soviet or pro-Communist.

The following confidential informants, all of known reliability and who are conversant with Communist Party activities, were contacted on May 25 and 26, 1950, with negative results as to the FPA:

T-44, T-45, T-46, T-47, T-48, T-49, T-50 and T-51.

The following confidential informants, all of known reliability, who are conversant with Soviet espionage activities, were contacted with negative results as to the FPA on the dates indicated:

T-52	June 5, 1950
T-53	June 5, 1950
T-54	June 1, 1950
T-55	June 7, 1950
T-56	June 1, 1950

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B. POSSIBLE CONNECTION WITH "AMERASIA"

According to Confidential Informant T-57, of known reliability, a letterhead of "AMERASIA", dated November 5, 1941, reflected that T. A. BISSON, DAVID H. POPPER and WILLIAM T. STONE were members of the Editorial Board of "AMERASIA" and it is to be noted that in 1948, Dr. VERA MICHELES DEAN, FPA Research Director and FRANCES J. PRATT, FPA Director of the Speakers Bureau, were interviewed by SA [redacted], at which time they stated that four individuals, namely T. A. BISSON, BRUCE BLIVEN, DAVID H. POPPER and WILLIAM T. STONE were on the staff of both "AMERASIA" and the FPA. Mrs. DEAN claimed, however, the "AMERASIA" had no direct connection with the FPA.

Further, concerning THOMAS A. BISSON, it is to be noted that the indices of the New York Public Library reflect that THOMAS ARTHUR BISSON wrote the following books published by the FPA:

"CLASH IN THE PACIFIC" (1936)
"SHADOW OVER ASIA" (1941)
"SHOWDOWN IN THE ORIENT" (1940)

In addition, it is to be noted that BISSON, in an application he submitted to the Board of Economic Warfare, indicated he had been a member of the research staff of the FPA from September, 1928 to January, 1942.

Further, concerning BRUCE BLIVEN, mentioned above, it is to be noted that T-1 advised on May 31, 1950 that he had formerly been a member of the Board of Directors of the FPA, but was not a member, at the present time, and it is to be noted that the publication "TEN YEARS OF THE FPA, 1918-1928", as reviewed at the New York Public Library, reported BRUCE BLIVEN as a member of the Board of Directors of the FPA as of February, 1929 and the publication "THE FPA IN WARTIME" was reviewed at the New York Public Library and reflected him to be a member of the board as of September, 1940. Further, concerning BLIVEN, it is to be noted that Confidential Informant T-58, of known reliability, has reported that BRUCE BLIVEN, former editor of the "NEWREPUBLIC", had given a large amount of money annually to the Communist cause.

In addition, Appendix IX of the House Committee on Un-American Activities, reflects that BRUCE BLIVEN was affiliated with the American League against War and Fascism, which organization was cited as a Communist front by the House Committee on Un-American Activities, in its report dated March 29, 1944, page 53.

Appendix IX also disclosed that BRUCE BLIVEN was affiliated with the American Students Union, which organization was cited as a Communist front by the House Committee on Un-American Activities, in its report dated March 29, 1944, page 159.

Appendix IX also described BLIVEN as affiliated with the American Youth Congress, which was designated by the Attorney General as coming within the purview of Executive Order 9835.

Forther concerning DAVID H. POPPER, mentioned above, it is to be noted that VERA MICHELES DEAN advised SA [redacted] in 1948 that POPPER had been with the FPA from 1934 to 1942, being attached to the Research Department.

Further, concerning WILLIAM T. STONE, mentioned above, it is to be noted that the publication "TWENTY YEARS OF THE FPA, 1918-1938", as reviewed at the New York Public Library, reflected that STONE became Vice-President of the FPA in 1933 and the publication "THE FPA IN WARTIME", as reviewed at the New York Public Library, reflected that as of September, 1940, STONE was Vice-President, as well as Director of the Department of Popular Education of the FPA.

Concerning "AMERASIA", it is to be noted that on June 2, 1950, LOUIS BUDENZ, Assistant Professor at Fordham University and a Communist Party functionary until October, 1945, advised SA W. S. TAVEL that the Communist Party considered the publication "CHINA TODAY" as too obviously pro-Communist and upon orders of the Politburo, "AMERASIA" was founded by the Party for the purpose of expanding theinfluence of the Party in regard to Far Eastern affairs. He stated that FREDERICK V. FIELD, known to him as a member of the Communist Party, gave reports at Politburo meetings concerning the management of "AMERASIA" and at the Politburo meetings discussions were had as to how far the Party could go in controlling the authors and articles in "AMERASIA" without making it too obvious. BUDENZ stated that FIELD was the link between the Communist Party and "AMERASIA" and that the Communist connection of that publication was considered to be very confidential by the Party to the extent that orders were issued that "AMERASIA" was not to be discussed with the staff of the "DAILY WORKER". BUDENZ also stated that PHILIP JAFFE and KATE MITCHELL were the main force in the operation of "AMERASIA" and that they were in close contact with JAMES ALLEN and JOSEPH STAROBIN, foreign editor of the "DAILY WORKER". BUDENZ also stated that

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after the arrest of the six individuals in the "AMERASIA Case" on June 6, 1945, for conspiracy in connection with the illegal possession of Government documents, a series of meetings of the members of the Politburo were held and arrangements were made for defense funds in regard to the prosecution of that case.

C. COMMUNIST CONNECTIONS OF OTHER INDIVIDUALS FORMERLY CONNECTED WITH FPA

1. LAURENCE DUGGAN

According to information furnished by Confidential Informant T-3 on May 25, 1950, it was ascertained that LAURENCE DUGGAN, prior to his death, was a member of the Board of Directors of the FPA.

Concerning DUGGAN, it is to be noted that Confidential Informant T-53 has advised that in about 1935, when DUGGAN was Chief of the Latin American Division of the State Department in Washington, D. C., he was recruited for Soviet espionage activities and accepted the same.

2. RUTH SARAH RIFKIN, was: Ruth Rivkin and Ruth Reid

The personnel file of UNRRA in Washington, D. C., as checked by SA [redacted], reflects that RUTH RIFKIN was employed as an Assistant and Secretary by the FPA from August, 1938 to May, 1943.

Concerning RIFKIN, it is to be noted that Confidential Informant T-59, of known reliability, advised in March, 1945, that RUTH REID of the Stuyvesant Club of the Communist Political Association in New York City, was residing at 312 Second Avenue, New York City, in care of FLEXNER and had been transferred to the Communist Party, Washington, D. C. In February, 1945, the informant reported that RUTH REID was identical with RUTH RIFKIN and was to be assigned to the underground government group of the Communist Party.

It is to be noted that it has been previously reported in this report that ELEANOR FLEXNER had formerly been employed by the FPA and had been a member of the Stuyvesant Club of the Communist Political Association.

In addition, ELIZABETH T. BENTLEY, self-confessed espionage agent, advised on November 30, 1945, that RUTH RIFKIN was collecting information for

JACOB GOLOS, Soviet espionage agent and that she was a dues-paying member of the Communist Party, being associated with the Book and Magazine Guild.

3. MAXWELL SLUTZ STEWART

The 1942-1943 edition of "WHO'S WHO IN AMERICA" reflects that MAXWELL SLUTZ STEWART was an economist on the research staff of the FPA from 1931 to 1934.

Concerning STEWART, it is to be noted that STUART LILLICO, 549 West 113th Street, New York City, a free-lance newspaperman, testified before the House Committee on Un-American Activities on November 22, 1938 and in his testimony, which was reported on page 2512 of Volume 4, of the report of the House Committee on Un-American Activities, stated that MAXWELL STEWART was known as either a secret member of the Communist Party or a "fellow traveller". In addition, LILLICO testified that at one time STEWART was Associate Editor of the "MOSCOW DAILY NEWS" and had taught at the Moscow Institute.

In addition, on April 4, 1950, LOUIS BUDENZ, Assistant professor at Fordham University in New York City and a Communist Party functionary until October, 1945, advised SA WILLIAM J. McCARTHY, JR. that MAXWELL SLUTZ STEWART was known to him to be a Communist, based on official reports he had received from officials of the Communist Party.

B. IMPLEMENTATION OF THE COMMUNIST PARTY LINE

The November, 1946 issue of the magazine "PLAIN TALK" reflected an article captioned "MRS. DEAN'S FOREIGN POLICY LOBBY", written by SHEPPARD MARLEY. Pertinent portions of this article are being quoted verbatim below:

".....Our foreign policy is the result of pressure from various directions.....Perhaps the greatest influence among these pressure groups is the Foreign Policy Association (F.P.A.), which has sold itself to the unsuspecting public as angelically and eminently impartial.

"Under the present leadership of Vera Micheles Dean the F.P.A.'s Research Department, its most influential section, has been turned into a factory for propaganda to appease the Soviet Union and to apologize for its expansion in all directions.....

"From its inception in 1918 until the retirement of the late President Raymond Leslie Buell in 1939, the F.P.A. hewed close to the task it set for itself: to provide, impartially, the data upon which an American foreign policy could be intelligently based. Through its influential National Council and National Board of Directors, the F.P.A. has had considerable effect upon State Department activities. In the fieldof popular education, too, the F.P.A. has been very prominent, publishing a weekly, the FOREIGN POLICY BULLETIN; a semi-monthly, the FOREIGN POLICY REPORTS; and a series of attractive-looking pamphlets called Headline Books. All these publications are widely used in schools, colleges, and government agencies.

"Vera Micheles Dean, the present Research Director, joined the F.P.A. staff in 1928, the same year in which she became a Radcliffe Ph.D. and a citizen of the United States. She had lived in Russia from her birth, in 1903, until 1919, when she came to America. Her rise in the F.P.A. was steady; she became editor of the REPORTS in 1933, and was appointed to her present post in 1938.

"Behind the perfect front afforded by the esteemed F.P.A., Mrs. Dean has been sending forth an unending stream of propaganda intermingled with genuine information, that is calculated to strengthen the position of the Soviet Union in pursuing all of its aims, regardless of their nature and their effect upon the interests of world peace and the United States.

"The pattern of Mrs. Dean's apologetics seldom varies: (1) Point out that the Soviet Union is being criticized for some action. (2) Admit that the action is (slightly) 'deplorable.' (3) Show that Russia is after all not much to blame for what it has done, in view of the lack of 'understanding' between it and the West. (4) Show that the 'Western Allies' have committed misdeeds, too. (5) Philospphize about such chicanery being quite common in international affairs. (6) Point out that all such misconduct must be eliminated by strengthening the Big Three and the United Nations. (Occasionally step 2 is omitted.)

"A classic example of this pattern of apologetics appears in Mrs. Dean's latest Headline Book, RUSSIA-MENACE OR PROMISE?, chapter 12. There she points out that since 1939 Russia has occupied the territory of certain other countries. She rushes to the defense: 'The invasion of Russia by Germany showed that the Russians, by these moves, had taken what was, from their point of view, a sensible precaution by creating a zone of defense against the anticipated German invasion.' Now Mrs. Dean gently chides the USSR:

"'But this of course did not make it any easier for Poles, Estonians, Latvians, Lithuanians andFinns to accept Russian domination.' And if we accept Moscow's claim that it seized other lands for security, says Mrs. Dean, how can we reject the similar claims of Nazi Germany and Japan? But such arguments are fruitless, she says, speeding on to steps 5 and 6 outlined above: 'The sad fact is, that in the present state of world affairs, weak countries are bound to be crushed between powerful neighbors....The only hope these countries have of preserving some measure of national autonomy is to accept cooperation with others in the United Nations organization.'

"It was around 1940 that Mrs. Dean entered upon her most vocal period as a fellow-traveler. She developed quickly during 1942-1944, when the ground for Soviet propagandists in America was made very fertile by the pro-Russian feeling resulting from the successful defense against the Nazi armies. In the FOREIGN POLICY REPORTS of December 15, 1940, fully six months before Russia was invaded by Germany, Mrs. Dean wrote: 'The refusal of the two Western powers to recognize Russia's territorial acquisitions probably represents the most serious obstacle to improvement of relations between Russia and itsWorld War Allies.' She did not appear to believe thatthe Russian 'acquisitions' themselves may have stood in the way of friendly relations.

"Her statements about theSoviet Constitution of 1936 yield a good picture of Mrs. Dean before and after she saw the light from Moscow. In 1937 she wrote a REPORT in which she treated the subject fairly, although, as is the tendency of students of international affairs, she took the Constitution somewhat too literally. In 1942 she discussed the Constitution again in a Headline pamphlet, RUSSIA AT WAR, page 43. Here she added the fellow-traveler's sauce to the dish prepared by the objective student: 'Owing to the fact that Russia has been living in a state of war emergency, few of these rights have actually been enjoyed by the mass of Soviet citizens.' It had become apparent to many people, by 1942, that the Stalinist Constitution was window dressing, a relic of the Popular Front days. Mrs. Dean found it necessary to explain away the difference between the liberties granted by that document and those withheld by its makers.

"Although she often approaches the level of a DAILY WORKER editorial, Mrs. Dean now and then tries to maintain some semblance of the vaunted academic objectivity by admitting the more obvious and less defensible misdeeds of the Soviet Union. Even in such admissions, however, she still hedges a little, unable to state an unqualified criticism of Russia. Thus on page 6 of her .

"latest pamphlet, RUSSIA-MENACE OR PROMISE?, she comments on Soviet elections: 'In practice the elections do not mean very much in American terms, since most frequently there is only one candidate...' The inclusion of the phrase 'in American terms' suggests that perhaps the elections mean something in some other terms, but Mrs. Dean does not pursue this line of thought.

"'How much personal freedom is there in Russia?' Mrs. Dean asks in the same opus and proceeds to answer it in a manner worthy of a contributor to PRAVDA: 'It would be impossible to answer this question in terms of black and white. First of all, we must define for ourselves just what we mean by personal freedom in the United States.'

"Since developing her pattern of defense of Stalin's practices, Mrs. Dean has cut many arguments in accordance with it. 'Explaining' Russia's failure to join a single one of the international bodies created under the auspices of the U.N. (RUSSIA-MENACE OR PROMISE?, page 89), she points out that Moscow fears international inspection because it has a system of 'political dictatorship and controlled public opinion' (note the objectivity). But after all, she adds, even in our own country 'some military leaders have taken the view that international inspection of our manufacture of the atomic bomb should be barred.' So how can we blame Russia? Mrs. Dean thus tries to compare the refusal of Russia to cooperate with other members of the United Nations with statements of American army officers about the atomic bomb secrecy, after the announcement of the American plan for its control had shown that the officers' views had been rejected.

"For her defense of the Soviet government in the Iranian case, Mrs. Dean did not vary her technique. She first points out (Bulletin, April 5, 1946) that Russia did not leave Iran at the agreed time. In a review of the 'weakness' of the USSR's case, however, she neglects to say that Russia did not permit the Iranian government to put down the Azerbaijan revolt. Nor did her objectivity allow her to suggest that the Soviet Union may have had a hand in starting the rebellion in the first place. That point was not admitted by Moscow, so Mrs. Dean can consider it 'controversial' and can reject it. She arrives inevitably at step 5: 'In fairness to Russia, however, it must be recognized that other great powers are using pressure of one kind or another on small nations to obtain new privileges....'

"This plumping for Russian imperialism was displayed by Mrs. Dean in the BULLETIN of May 21, 1943, when she warned against the creation of an anti-Russian bloc. To dispel any suspicion that such a bloc was being formed,

"she added, Britain and the United States must not 'fear radicalism, whatever its form,' in Europe; we must expect great changes there, through reform or revolution. These remarks came at a time when Russia's powerful offensive of the winter of 1943 and the Allies' successes in North Africa indicated that the Red Army would soon be in eastern Europe. In a later Headline Book, ON THE THRESHOLD OF WORLD ORDER (1944, page 28), Mrs. Dean repeated this point.

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Vera Micheles

"Since Stalin does not run Soviet Russia with an eye to easing the tasks of fellow-travelers in America, Mrs. Dean has occasionally encountered a few difficulties, but she manages to extricate herself-in traditional self-contradictory style. In 1943 (REPORTS, August 15, 1943) she very objectively stated that 'there is little evidence as yet to indicate that Russia would want to dominate Europe through the familiar methods of territorial control...' She continues: 'It seems improbable that Russia would seek, after the war, additional territory for the sake of obtaining more people or larger resources...'

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"But when Stalin does take more territory (for whatever reason), Mrs. Dean is prepared to defend him. In the BULLETIN of January 28, 1944, she pointed out that the 'liberal Poles' are content to see Eastern Poland go to the Soviet Union because that area is inhabited mainly by White Russians and Ukrainians and its cession to Russia leaves Poland 'with a more homogeneous population.'

"Another technique Mrs. Dean frequently uses is to explain that Americans and Europeans have different notions of what democracy means. At the August 2, 1943 session of America's Town Meeting of the Air, she said: 'Moreover, in asking for free elections in Eastern Europe and the Balkans, let us remember that free elections on the Western model are not familiar to most of the peoples of this region of Europe...' We have already referred to Mrs. Dean's 'explanation' of the Soviet election practices. Presumably the people of these regions are familiar with one-candidate ballots and controlled voting, so Mrs. Dean seems to feel that their custom should not be upset by 'Western' ideas of democratic elections.

"Small wonder that Mrs. Dean joined the worldwide Communist chorus when Churchill made his historic speech at Fulton, Missouri, and called the great Allied war leader a 'warmonger' from a public platform.

Vera Micheles

"From this it was but a short step to liken Russia's 'intervention' in Poland to our treatment of Argentina. In making this glib and false analogy before a church group, Mrs. Dean chose to overlook the fact that Bierut, the head of present-day Poland, is a Soviet citizen and puppet, whereas Peron is an enemy of the United States. Mrs. Dean ignored the point that America does not maintain an iron grip on Argentina by means of large armed forces and a terrorist secret police there.

"Moving from the political to the economic plane, Mrs. Dean finds that the countries of Eastern Europe have 'from sheer necessity become associated with the economy of the USSR.' The fact that the 'association' is not voluntary would appear to be irrelevant. Mrs. Dean tries to make it appear that Eastern Europe had to turn to Russia because Germany can no longer supply it and because it cannot get dollars and pounds with which to buy from the United States and Great Britain (she is a little vague on this matter). There is so much that is specious in this reasoning that even Mrs. Dean can see that it won't do. She admits that Russia cannot supply the countries of Eastern Europe, but she points to the network of Soviet treaties to encourage barter. But even from Mrs. Dean's own account it is obvious that by this system, the Soviet government intends, not to supply Eastern Europe with manufactured goods, but to have that region supply such goods to Russia. But Mrs. Dean's objectivity has gone far enough, and she does not draw attention to this feature of Stalin's trade treaties.

* * * * *

"This is Mrs. Dean's conception of the kind of material that will help Americans understand the world and that will help form a basis for an intelligent American foreign policy. The F.P.A. has traveled (or fellow-traveled) a long way from its work under the leadership of James G. McDonald and the late Raymond Leslie Buell. It is now the private instrument of Soviet apologists.....

"Under its guise as an organization devoted to the preparation of objective reports to aid in the development of an effective and reasonable foreign policy forAmerica, the Foreign Policy Association spreads the good word for Stalin. Mrs. Dean and her associates have succeeded in stamping the F.P.A. as the apologist for Stalin's various crimes. It is not likely that Mrs. Dean is unopposed by at least some members of the F.P.A.'s National Board of Directors and its National Council. But these persons are not much more than a front. Behind it, fellow-travelers, led by Vera Micheles Dean, dominate the F.P.A.'s major activities, promoting Soviet policy at the expense of American and world democracy."

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On May 26, 1950, JULIUS VIKTOR EPSTEIN, 470 Fourth Avenue, New York City, was interviewed. It is to be noted that Mr. EPSTEIN is a correspondent with "THE NEW LEADER" and represents that publication at the UN. In addition, he is associated with the American Committee for the Investigation of the Katyn Massacre, Inc., 470 Fourth Avenue, New York City.

Mr. EPSTEIN advised that in about 1946, he read some material published by the FPA, which material so "outraged" him that he decided to make a survey of additional material published by the FPA. EPSTEIN stated that the material that had "outraged" him was in his opinion definitely pro-Soviet and pro-Communist in tenor. EPSTEIN further stated that he began a review of FPA material in about 1946 and continued the same for a period of approximately one year and at the conclusion of the same in 1947, he prepared a [illegible]-six page pamphlet covering the results of the survey he had conducted. This pamphlet was entitled "The Case Against VERA MICHELES DEAN And The FPA", which he distributed to a number of individuals on the Board of Directors of the FPA. In addition, it was advertised in "THE NEW LEADER", at a cost of $1.00.

The above mentioned booklet is being quoted verbatim below:

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THE CASE AGAINST VERA MICHELES DEAN

AND

THE FOREIGN POLICY ASSOCIATION

By

JULIUS EPSTEIN

"The influence wielded by the Foreign Policy Association upon the American public life can hardly be exaggerated. The organization maintains not not only contacts with its own correspondents throughout the world but also has very close relations with the State Department as well as with many other government agencies and foreign embassies in Washington. The FPA has access to material not readily available to private scientists and writers and boasts of its 'Foreign Policy Reports' that 'they have acquired an international reputation for accuracy and timeliness and represent an important contribution to scholarship.' The 'Foreign Policy Reports' are now being distributed at a rate of more than 200,000 a year. 2,400 libraries and institutions subscribe to them. They are widely used in leading colleges and universities, among them Harvard, Columbia, Princeton, Michigan and Wisconsin. The Carnegie Endowment for International Peace arranged for 600 of its international clubs to receive them.

"A few years ago the research department of the FPA, under the direction of Mrs. Vera Micheles Dean prepared in cooperation with the United States Office for Education a United Nations Discussion Guide. Time, Newsweek, and The Reader's Digest distributed 300,000 copies of this guide free throughout the United States and Canada. Thousands of schools, colleges, women's clubs and other institutions received this guide. The U. S. Navy ordered 10,000 copies to be distributed among its officers. The Washington Bureau of the FPA frequently helps Senators and Representatives preparing memoranda and documentary material on problems concerning American foreign policy and international relations. The Division of Current Information in the State Department keeps a complete set of Foreign Policy Reports on file for the use of the officers of the Department and newspaper correspondents.

"Besides the Foreign Policy Reports, the FPA publishes the weekly Foreign Policy Bulletin and, with the aid of funds from the Carnegie Corporation of New York, a series of 'simply written and attractively

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"illustrated Headline Books" as the FPA puts it. In the past twelve years more than fifty Headline Books have been issued with a total distribution of about 2,500,000 copies. Some Headline Books have had a distribution of more than 110,000 copies. They have been widely used by many government and educational institutions. More than 250,000 copies have been distributed by the War Department alone, especially in the Army Orientation Courses (both statewide and overseas.) The Navy too uses Headline Books in its Naval Training Schools and the same is true of the Army Air Force Training Schools.

"The FPA cooperated with the U. S. Office of Education in placing copies of Headline Books in College War Information Centers all over the country. Today its propagandists boast that 'thousands of teachers are using them for classroom work and collateral reading. They are being used in the social science courses of the New York public school system and one of the largest textbook publishers is distributing them to secondary schools and teachers' colleges throughout the country. Headline Books have been translated into Spanish for use in Latin America and into Braille for the blind.'

"This study is mainly based upon the material presented by the Foreign Policy Association in the weekly Foreign Policy Bulletin, the fortnightly Foreign Policy Reports and the Headline Books."

"To do justice to Vera Micheles Dean, her writings have not always shown those fellow-traveler trends they unquestionably have shown for the last years. She even wrote several excellent articles on Soviet-Russian and Russo-American problems. Mrs. Dean, who entered the service of the FPA in 1928, did not visibly develop her present attitude of defending - at least in effect - everything Stalin and his Government does until 1939. And even then she did not become at once an all-out fellow-traveler but rather a split-personality, who could express the truth in articles written for The Christian Science Monitor and at the same time conceal the truth in her FPA publications.

"On October 7, 1939, for instance, The Christian Science Monitor Magazine printed an article by Mrs. Dean entitled: 'European Summer, 1939... A Diary' under the dateline 'Paris July 17 - August 1.' In this article Mrs. Dean revealed a perfectly clear vision when she wrote: 'The decision for war or peace ultimately hinges on the attitude of the Soviet Union, now placed in the enviable position of being courted by both sides... But people determined to believe in the incompatibility of Fascism and Communism still

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"regard a Russo-German deal as fantastic. They may live to rue their incredible blindness.' And a few paragraphs later we find the following sentence: 'But now the revolutionaries are acting together. And the greatest danger of this situation is that Germany and Russia will try to convince the world they are fighting the reactionary capitalism of the 'pluto-democracies' in the name of a new revolutionary system which in both dictatorial countries can be correctly described as national socialism.' We may well ask Mrs. Dean what induced her to give up this opinion of Stalin's regime, which certainly has not changed since she wrote those words, and to regard it as harmless, always understandable and to be appeased?

"In December 1939 Mrs. Dean published No. 7 of the World Affairs Pamphlets 'Why Europe Went to War.' Again she displayed correct judgment and clear vision. 'The Soviet-German Pact, whatever its long-run consequences,' she wrote, 'had the salutary effect of dispelling the fog of ideological slogans by revealing that there was nothing essentially different between Nazism and Communism. The principal objections raised for twenty years against the Soviet regime - that it expropriates private property, strangles individual liberty and seeks to uproot organized religion - could with equal effectiveness be made against Nazism. Germany, like the Soviet Union is governed by a single party, which enjoys a monopoly of political and economic power, and rules by arbitrary decree. In Germany, as in the Soviet Union, the liberties of individuals and dissident groups are ruthlessly subordinated to the interests of the totalitarian state. In Germany, as in the Soviet Union, organized religion - be it Catholic, Protestant or Jewish - has been subjected to villification and persecution, largely because it interferes with the undivided loyalty the totalitarian state expects from its citizens.'

"If we look through the Foreign Policy Reports, the most important of all FPA publications issued during the same period, we encounter the incredible fact that Mrs. Dean as the editor of this publication did not once mention the most significant event of the time for the world and for the U. S., the Stalin-Hitler alliance.

"The subjects dealt with in the twelve issues of the Foreign Policy Report covering the period from September 1, 1939, the day of the outbreak of World War II, to February 15, 1940 are:

September 1, 1939: 'Germany's Colonial Claims' by Paul B. Taylor

September 15, 1939: 'The Outlook for Philippine Independence' by Frederick T. Merrill

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'October 1, 1939: 'Will Neutrality Keep U. S. Out of War?' by William T. Stowe

October 15, 1939: 'Europe's Economic War Potential' by John C. deWilde and others

November 1, 1939: 'Japan's Position in the War Crisis' by T. A. Bisson

November 15, 1939: 'The Outlook in Southeast Asia' by Rupert Emerson

X December 1, 1939: 'War and the United States - Latin American Trade.' by Howard J. Trueblood

December 15, 1939: 'The Struggle for the Balkans' by John C. de Wilde

January 1, 1940: 'American Neutrality and Maritime Rights' by David H. Popper

January 15, 1940: 'The Oslo States and the European War' by A. Randle Elliot

February 1, 1940: 'The British Dominions at War' by James Frederick Green

X February 15, 1940: 'Progress of Pan-American Cooperation' by Howard J. Trueblood

"No other periodical in the world, dealing with politics matched this triumph of omission achieved by Mrs. Dean's Foreign Policy Reports. The first time the Stalin-Hitler pact appears in the Foreign Policy Reports is in the issue of March 1, 1940, more than six months after its conclusion.

Vera Micheles

"In the weekly Foreign Policy Bulletin, whose editor and main contributor is Mrs. Dean, we can observe a third side to Mrs. Dean's multi-faceted personality. At the same time that she accused Stalin of being the real instigator of World War II in The Christian Science Monitor, and succeeded in omitting any reference to this event for six months in the Foreign Policy Reports, she vehemently defended Stalin and everything he did in the Foreign Policy Bulletin of September 22, 1939 in which she stated:

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"'To Speak of a Russian 'betrayal' is to reveal a fundamental misconception of Soviet aims.' On September 29, 1939, in another article for the Foreign Policy Bulletin 'Will U.S.S.R. Block Germany's Eastward Path?', she wrote: 'Whatever may have been the secret clauses of the Soviet-German pact' (Mrs. Dean and the FPA completely ignored those secret clauses when they became well known in 1946) 'it becomes increasingly obvious that this pact envisaged not so much collaboration by the two totalitarian powers as parallel action in a region where both have something to gain at the expense of weaker neighbors.'

Vera Micheles

"The process of becoming a full-fledged fellow traveler took time. It was not before the fall of 1941 that this metamorphosis was completed. At that time Mrs. Dean published her Headline Book 'The Struggle for World Order' in which she openly defends Stalin and his regime, even recommends it as model for a post war world. I quote her advice printed on page 39: 'At that time, the Europeans will have much to learn from the experience of the Soviet Union, where a considerable measure of cultural autonomy for Russia's 150 races and nationalities existed side by side with an extreme form of political and economic centralization.'

"In chapter 10, 'The Psychology of Peoples' Mrs. Dean wrote: 'The Russians are a highly adaptable people. They not only get easily acclimatized abroad, but they have great capacity for absorbing other peoples or at least for living with them on relatively peaceful terms. Except for the United States, there is no other country in the world which embraces so many races and nationalities as Russia; and while administrative efforts to achieve unification have been made - through Russification in the days of the Tsars, through Communization in the days of the Soviet Government - there has been infinitely less friction between the 150 national groups inhabiting Eastern Europe and the Balkans. In part this is due to the fact that the Russians lack the sense of racial superiority which is so marked among the Germans, and are therefore receptive to the cultures of other peoples.

"The Russians also have a vast curiosity about the rest of the world, and an elemental urge to influence the universe through international movements, be it Pan-Slavism or Pan-Communism. But they are essentially a non-military people, to whom the idea of anything except a defensive war is on the whole repugnant.'

"That's all the reader learns about the criminal role the Soviet Government played in employing the Russian's 'great capacity for absorbing other people' as for instance Finns, Latvians, Lithuanians, Estonians and Poles. Mrs. Dean does not tell her readers anything about the Stalin-Hitler

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"pact and the war-instigating role Stalin played in August and September 1939, which she herself so eloquently depicted in a Boston newspaper. Her readers are never reminded of the historical fact that Soviet Russia was outlawed by the League of Nations because of her aggression against Finland.

"Mrs. Dean's efforts to defend Stalin's regime coute que coute reaches a peak when she tries to talk her readers into the belief that Stalin's totalitarian regime really solved the national question in his empire better than the Austro-Hungarian monarchy did. She wilfully conceals the fact that the measure of political and personal freedom enjoyed by the least citizen of the Austro-Hungarian monarchy cannot be compared with the complete lack of such freedoms in the U.S.S.R. Her readers do not learn that all the different national groups in Austria-Hungary had not only the theoretical right but the practical opportunity to express their opinion freely, not only in a great many newspapers but through their elected representatives in the Viennese Parliament. Mrs. Dean, who certainly knows better, wilfully conceals the truth from her readers that Stalin's 'solution' of the national problem in the Soviet Union is largely based upon his autocratic dictatorship. Among other things, the repeated necessity for special purges in the Ukraine - the terrible deportations in the Baltic states, prove this.

"Mrs. Dean's complete Manual for beginners in American fellow-travelerism appeared in 1942. It is her Headline Book 'Russia at War.' This book is now in its fifth printing and must be considered as Mrs. Dean's masterpiece in the promotion of Stalin's point of view. To say the least, it is exactly the type of pro-Soviet propaganda the National Council of Soviet Friendship carries on in its periodical 'Soviet Russia Today.' The following quotations will show how it was done.

"Chapter 4, 'How is Russia Governed?' (page 27 ff) starts with these two sentences: 'The Soviet Government, in the early years of its existence, faced the urgent problem of achieving some form of unified control over a vast territory. This territory had a population of 150 million (now increased to 170 million and, if the territories absorbed since 1939 are included, to 193 million), composed..., of some two hundred races and nationalities differing widely in education, tradition and economic development.'

"To fully realize the fellow-traveler character of the second rather harmless sounding sentence, especially of the part in brackets, one must bear in mind that this was written in 1942, at a time when not even the average American fellow-traveler publicly ventured to defend the annexations by force

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"of almost half of Poland, of the three Baltic States, and of parts of Finland. President Roosevelt had condemned Soviet aggression against Finland:

"'The Soviet Union, as a matter of practical fact, as everybody knows who has got the courage to face the fact, the practical fact known to you and known to all the world, is run by a dictatorship as absolute as any other dictatorship in the world. It has allied itself with another dictatorship and it has invaded a neighbor so infinitesmal small that it could do no conceivable harm to the Soviet Union, a small nation that seeks only to live at peace as a democracy and a liberal forward looking democracy at that.' (F.D.R. on February 11, 1940.)

"The American people at that time were deeply convinced that the war was being waged for the principles expressed in the Atlantic Charter. They were proud of Summer Wells' vigorous condemnation of Stalin's annexation of the three Baltic countries. The Soviet-Polish treaty which declared the Stalin-Hitler agreement on the boundaries as 'null and void' was just a few months old. But Mrs. Dean was already advancing the suggestion that Soviet Russia might absorb all the forcibly annexed territories, without even mentioning the fact, that, if this should happen, it would be in violation of international law and of the many solemn commitments made by Messrs. Stalin and Molotov.

"The fifth chapter deals with the Communist Party: 'The constitution of the party provides for 'complete freedom' of discussion regarding controversial questions. Once a decision has been reached, however, party discipline demands the cessation of discussion, and all party organs, as well as Communist groups in non-party organizations (soviets, trade or professional unions, and cooperative associations), must immediately give effect to party rulings.'

"The average reader who is not familiar with the history of the Russian State Party will take this statement at its face value and will certainly be pleased by the 'complete freedom of discussion' which Mrs. Dean attributes to Soviet Russia's Communist party. He will never learn that since Lenin's death in 1924 there has not been any 'freedom of discussion' either within or outside of the Communist Party. He will never know from Mrs. Dean's book that the constitution of the Party as well as the Constitution of the Soviet Union of 1936, 'the most democratic constitution in the world' is nothing but deceit.

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Vera Nuchelia

"On the next page Mrs. Dean deals with the Trotsky opposition without taking any pains to go into the merits of the case. It goes without saying that the author again defends, at least in effect, Stalin's totalitarian rulings and even his worst crimes. I quote:

> " 'We see, then, the Soviet political system is very different from our own. In contrast to our two-party system, where room is allowed for the expression of political opposition by the minority party, the Russians have a one-party dictatorship which permits a certain range of economic and cultural autonomy, but does not tolerate political opposition. We must remember, however, that in contrast to Russia, we have a population which has undergone a more uniform political and economic experience than the peoples of the U.S.S.R. Until the Russians have achieved a higher degree of literacy and unity' (a few pages before Mrs. Dean praised the Soviet Union as the model of unification of 150 different national groups and used her as a model for post war planning in other European countries) they may need a strongly centralized government to map out the main lines of their economic developments. The question that really interests us most of all about Russia's political system is: How much personal freedom is there in Russia?'

"This, indeed, is the main question. Chapter 6, 'How Much Personal Freedom Is There In Russia?' deals with it. It starts with the statement:

> "'It would be impossible to answer this question in terms of black and white. First of all, we must define for ourselves just what we mean by personal freedom in the United States. What we mean by personal freedom here is freedom to think, and talk and write as we please; freedom to believe, and to practice any religious faith into which we may be born or that we may choose; freedom to work; and freedom to join political groups or other organizations in which we may want to take part. Now, in all fairness, it must be admitted that while theoretically all citizens of the United States possess these freedoms, they do not all have the opportunity to enjoy them.'

"After this introduction which shows that Mrs. Dean cannot answer the most simple question as to the existence of personal freedom under Stalin with the clear and true statement 'There is no personal freedom in Russia' she goes deeper into the defense of Stalin's system. On page 41 she writes:

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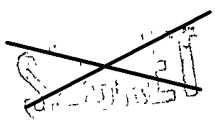
"'Soviet leaders themselves would not deny absence in Russia of freedom in the Western sense. But they point out that, during the past quarter of a century, Russia has been in a state of mobilization and preparation for war against 'capitalist encirclement.' In this state of emergency, they claim, individual wishes and liberties must be subordinated to the needs of the state as defined by the Communist Party. They also point out that, while political and personal liberties may not exist in Russia, the Russian people have been given considerable scope for initiative and criticism in the economic sphere. And it is true that, while the Soviet press never questions the government decisions, it carries daily comments on the inadequacy of coal production, delays in the manufacture of electric bulbs, and a thousand and one other items affecting the country's economic development. Such comments are not only permitted, but encouraged, under the name of 'self-criticism,' and have done much to focus the attention of the Russian people on what is going on around them. Workers in factories and peasants on collective farms are also encouraged to criticize their own administration of the factories and farms, to bring in suggestions for improvement of working methods, and to exchange ideas regarding the state of the world in general as presented in the Soviet press and in special 'wall-papers' prepared by each unit of production. In this way, workers and peasants, many of whom had previously been illiterate, are receiving a considerable measure of education, and are given experience in discussion of matters that directly affect their daily work and lives.'

Vera Micheles

"As can be seen from these examples, Mrs. Dean's method is very simple: Instead of driving home the fact that there can never be any compensation for the total loss of freedom and dignity of a human being, the readers (especially the millions of younger ones to whom the Headline Books are especially addressed) learn the exact opposite, namely, that the Soviet citizen 'may not have' civil and personal liberties 'in our sense', but that he is rather fully compensated for this not so tragic loss by the right to criticize the manufacture of electric bulbs and by the freedom to denounce his superiors in factories and on farms. Using such 'arguments' to defend the system of Stalin's totalitarian barbarity, Mrs. Dean does not distinguish herself from the editorial writers of the Daily Worker and the New Masses. We are tempted to call Mrs. Dean classic fellow-traveler style 'Deanese'. Its specific characteristic is the endless repetition of some words which always introduce her justifications of every feature of Stalin's regime.



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Vera Micheles

"'Deanese' is characterized by the incessant use of such qualifying expressions as 'but,' 'however,' 'we should bear in mind' etc. With this philological instrument Mrs. Dean solves almost every problem concerning Stalin's regime, no matter how controversial it may be. Another trick of 'Deanese' consists in the persistent drawing of a red herring across the track which always consists in accusing the U.S. and Great Britain of similar faults.

"In 'Russia at War' Mrs. Dean deals with the Soviet constitution of 1936. She describes - taking the empty phrases of the constitution at face value - all the 'liberties' and 'rights' accorded by the constitution to all Soviet citizens. Then, for the sake of 'objectivity' she writes the following five lines:

> "'Moreover, it must not be supposed that the constitution actually works in the way it reads. Practice frequently fails to conform to the theory. Owing to the fact that Russia has been living in a state of war emergency, few of these rights have actually been enjoyed by the mass of Soviet citizens.'

"By this statement the reader learns that, if there is no freedom in Russia and if all constitutional liberties and rights exist merely on paper, it is by no means the fault of the regime but of others who threatened Russia for twenty years with war. Using this false motivation for the undeniable fact that 'practice frequently fails to conform to the theory' is completely in accordance with the official Communist explanations in Europe and in this country.

"Dealing with the question, 'Is Russia Imperialistic,' Mrs. Dean first tells her readers that the Soviet Union already has 'so much territory, so large a population and such rich natural resources that it has far less temptation than Germany, Japan or Italy to resort to territorial imperialism.' Having said this, the author tosses the reader the well-known red herring by asserting, 'Nor does it (the U.S.S.R.) have capital for investment in backward regions, SO IT IS NOT TEMPTED TO FOLLOW THE EXAMPLE OF BRITAIN AND THE UNITED STATES.' By this, Mrs. Dean necessarily creates the impression in the uninformed reader's mind that Britain and the United States are more to be feared as imperialistic and aggressive powers than Soviet Russia.

"Now, if the author is right in her thesis that the U. S. and Britain are more to be feared as imperialistic powers how does she explain Stalin's annexation of Eastern Poland and the three Baltic States? Mrs. Dean has little difficulty not only in 'explaining' these annexations by force but even in justifying them. It is as easy as this:

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"'While Russia does not need additional territory, she has not hesitated to occupy the territory of other countries on the ground that she needed to improve her defenses. This was Russia's plea for taking Eastern Poland, for occupying Estonia, Latvia and Lithuania, or waging war on Finland. It seems fairly clear, from what has happened since, that the Russians were taking what was, from their point of view, a wise precaution by creating a zone of defense against anticipated German invasion.'

Vera Micheles.

"The truth is the opposite, namely that Soviet Russia never claimed Eastern Poland on the ground that she needed the country to improve her defenses. That Mrs. Dean asserts this represents one of the many instances of the manner in which she and the FPA deal with well established facts. In a famous speech of 1939 in which Molotov justified the annexation of Eastern Poland he gave as the only reason the wish of the Soviets to 'liberate' the Polish-Ukrainians and the Polish-White Russians who had been so ruthlessly oppressed by the Poles. Mrs. Dean perfectly well knows that even the Ribbentrop line which left more Polish territory in Stalin's possession than the Curzon line, did not at all prevent the Germans from attacking, and very successfully.

"In 'Russia At War' the Stalin-Hitler pact is no longer a proof that 'there was nothing essentially different between nazism and communism' as Mrs. Dean wrote in the Christian Science Monitor. Now the pact is understandable and, of course, justifiable. 'It would be difficult to maintain that Stalin had 'betrayed' the Allies by signing his pact with Hitler - unless we first admit that the Allies had 'betrayed' Russia at Munich'. This was precisely Browder's line on the Stalin-Hitler pact.

"In Chapter 13 ('Is there a 'Fifth Column' in Russia?') Mrs. Dean says:

"'If there have been such activities, we may be sure that they have been promptly and drastically suppressed. A cynic might say that the Russians got rid of their fifth columnists long ago, during the purges of 1934-1938, when thousands of men and women accused of sabotage or counter-revolutionary activities were either executed or imprisoned. Another way of looking at the situation is that of a French diplomat, who said sadly: 'In Russia, they shot their fifth columnists. In France, we put them in the Cabinet.'

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Vera Dinkelspiel

"Mrs. Dean's readers are injected with this nonsense without having the opportunity to learn from the author the truth, so well known to Mrs. Dean, that the only mass group of French fifth-columnists at the time of the outbreak of World War II was the French Communist Party and its fellow-travelers who wholeheartedly sabotaged the war against Hitler. The Communist leader Thorez became a deserter, fleeing first to Hitler's Third Reich and later, with Hitler's consent and special permission, to Moscow.

"Concluding the chapter on the Moscow trials, Mrs. Dean writes: 'looking back on the Moscow trials in the light of recent events, some observers believe (another trick of Deanese: to project her own opinion into 'some observers') think that Stalin acted wisely, if brutally by exterminating people who might otherwise have become potential Quislings, and accept the toll of lives taken by the purge as a harsh necessity of war.'

"With this quotation we have reached one of the most conclusive self-betrayals of pro-Stalinist leanings in all her publications.

"Mrs. Dean ignored completely the fact that the committee of investigation headed by John Dewey had demonstrated beyond doubt that Stalin's and Vishinsky's accusations against Trotsky and the defendants of the Moscow trials were based on proven lies. When Mrs. Dean wrote this scandalous chapter she must have known Trotsky's book 'Stalin's Crimes' which appeared in 1937, in which the author most painstakingly dealt with every single accusation brought forward in the Moscow trials and in which he proved that not a single one of them could be true.

"Reading Mrs. Dean's utterances on the Moscow trials, one is under the impression that she had never read the immense literature on those trials. How else could she write: 'And even today it is difficult to disentangle fact from imagination or fiction in the Moscow trials.' For whom is it difficult? Even for those who merely scanned the official reports issued by the Soviet Government it should not be difficult to discern the truth because those reports betray their own cause. The complete lack of any evidence whatsoever should strike even the most inexperienced reader.

"Mrs. Dean wrote about the Moscow trials in 1942, five years after the last of these purge trials took place, when only official communists and their most ardent fellow travelers still pretended to believe in this most gigantic legal swindle in history. Mrs. Dean wrote her 'defense' five years after Trotzky's book appeared, three years after Krivitzky had made his revelations and two years after Max Eastman had written in his book 'Stalin's Russia and the Crisis in Socialism':

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"'The understanding of this mental and social process, and the clean rejection of it by a majority of mankind, is necessary to the survival of civilization. The Moscow trials are therefore in some sense a touchstone of men - or at least of working men and liberals. Those who swallowed the lies told in these trials or agreed to assist with silence or suspended judgment in their propagation, are to be guarded against as potential totalitarians. Those who denounced them roundly will probably defend truth, justice, freedom, scientific enlightenment.'

"The Foreign Policy Reports of April 15, 1937 promised that: 'The Moscow trials and their relation to the political situation in the Soviet Union will be discussed in a forthcoming Foreign Policy Pamphlet.'

"Today, more than twelve years later, this 'forthcoming Foreign Rlicy Pamphlet' has not appeared! We are still waiting.

"In 1944, Mrs. Dean wrote another Headline Book 'On the Threshold of World Order.' It breathes the same spirit as 'Russia at War.' It is a determined attempt to 'understand', that is, justify Stalin's changing points of view. The book is full of contradications, overworking the Deanese trick of 'showing both sides' without actually doing so objectively but always concluding that we must 'understand' and therefore appease Stalin. A few quotations will indicate the spirit of this book:

"'In 1939 many people tended to agree with the Nazis that the British system was obsolete and done for... Yet in spite of obsolete practices and institutions, the British succeeded in holding Germany at bay for two years, until Russia and the United States, each, only after it had been attacked, entered the war.'

"Mrs. Dean apparently wants to create the impression that the U. S. dealt with Hitler in the same way that Stalin did. Readers are not reminded that the United States helped Britain in every way short of war at a time when Molotov publicly called Germany the peace-lover, and Britain and France the warmongers. I do not know any other American political writer who ever developed the art of systematic ambiguity in his writings to such a degree as Mrs. Dean.

Alexis Michelov

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Vera Micheles

"Mrs. Doan writes:

"In those countries - Poland, Rumania, Yugoslavia, Greece - we may expect to see revolutions similar to the Bolshevik revolution in Russia, unless their governments, now in London or Cairo, effect prompt and far-reaching reforms before they set foot again on their native soil. Such revolutions would not necessarily be inspired by the Soviet Union. They would result primarily from conditions within these countries, which in many respects are similar to conditions in Russia in 1917. It is important for the British and Americans to understand this situation, and not to be shocked if fundamental changes should occur in eastern Europe and the Balkans. On the contrary, such changes should be welcomed, because they would hasten that equalization of economic and social conditions on the continent which is needed for its future stability. So far the Soviet leaders appear to have had a more realistic understanding of conditions that have developed behind the facade of Nazi rule than Britain and the United States.'

"To be 'objective', she adds:

"'But Russia for its part must give concrete evidence that it does not intend to use its power for the purpose of dominating its weaker neighbors in Eastern Europe and the Balkans, or of undermining such regimes as they may freely choose after the war. The Soviet Government controls a vast country, rich in most of the natural resources necessary for modern industrialization and modern warfare, with an energetic and gifted population. The Russians do not need more territory; they do not need more resources; they do not need more people.'

"How nice to be able to point to such passages whenever a good alibi is needed!

"This book was published in 1944 when Soviet Russia had already used its power to 'dominate weaker neighbors' and had already started 'to undermine such regimes as they may freely choose after the war' in Poland and Greece. Since the war's end it has become clear to anybody but a Communist that Stalin does not recognize any limit to his 'right' to oppress weaker neighbors, but Mrs. Dean failed and still fails to note this fact or to condemn it. She still recommends appeasement of Stalin.

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"Quoting from the eighth chapter of the Headline Book titled 'Security through Armaments - or Expansion':

> "'Today the procedure of territorial acquisition on grounds of self-protection which has only resulted in bigger and more terrible wars, threatens once more to repeat itself. The Russians say they need the Baltic states and part of Finland in order to guarantee their territory against future German aggression. Should Russia's point of view by accepted, then it would be entirely logical for the British to claim that they must have Italy's colonies in Africa and bases in Sardinia, or Sicily, or Greece, in order to protect their 'life-line' through the Mediterranean to the Near and Far East - seriously threatened in this war as long as the Axis controlled the coasts of that strategic sea.*** This policy, if pressed to its logical conclusion, would only result in a new imperialistic race, with each of the greatest powers trying to stake out as much territory as it considers necessary for its protection, in complete disregard of the rights and interests of smaller and weaker peoples.'

"This wise warning was published by Mrs. Dean in January 1944. But exactly one year later, in January 1945 she published another Headline Book, 'After Victory' whose first chapter deals with the same problem.

> "'When Russia for example, claims Eastern Poland, the Baltic states, and bases in Finland, it claims them not chiefly on historic grounds - although it could do so (!), since these territories were part of the Russian Empire for varying periods of time before 1917. It claims these areas on grounds of security, to cushion the shock of possible future German aggression. And as long as we live in a world of international anarchy, with every nation out for itself and no international organization to give security to any nation, great or small, Russia's claims are understandable claims.'

"This was written by the same author who wrote in 'On the Threshold of World Order': 'The Russians do not need more territory; they do not need more resources; they do not need more people.'

"But the contradictions are not only between the two books. They exist in the very same book. On the same page that Mrs. Dean justifies Russia's claims as 'understandable', she also writes:

> "'The danger, however, is that if we accept Russia's claims, then the door is thrown wide open for every great power to follow the same course.'

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Vera Micheles

"The spirit of this statement is contradicted again on page 50 where Mrs. Dean speaks of the 'so-called unilateral measures taken by Russia in Poland' and where she ventures to write:

> "'But the United States can hardly oppose the security arrangements made by European countries against Germany unless it is ready to assume single-handed responsibility for their future protection - which it is clearly not prepared, either by desire or military resources, to do. Instead of sitting on the sidelines, and issuing our own unilateral statements as to how other nations should carry out our ideas, it would be wiser for us to work with them on practical measures of security for Europe and Asia.'

"Mrs. Dean wants the reader to believe that the question is one of safeguarding the world against a new German aggression, although, at the time she wrote this book, it had become clear to the whole world that a new menace to world peace and security could come only from the Soviet Union with or without Germany as an ally.

"After having 'understood' and justified the security argument, Mrs. Dean shows again that she knows better when she writes:

> "'The same technological developments - the airplane and the robot bomb, the possibility of transporting millions of armed men across oceans for the invasion of one continent by another - that have made national units obsolete for purposes of security have made regions and continents obsolete.'

"One should assume that an author who wrote these lines would, now, after the development of the atom bomb be evenmore convinced of the idiocy of 'security zones.' This is by no means true in the case of Vera Micheles Dean.

"The publication of the Headline series reminds one of a good football team. Wherever Mrs. Dean drops the ball, somebody else takes it up. This time it is Professor Samuel Van Valkenburg who wrote Headline Book No. 53, 'European Jigsaw' which appeared in August 1945. The book continues the fellow traveler tradition of the series and of FPA. On page 27 the Professor begins the chapter 'The Baltic State' with this statement:

> "'Three Baltic States (Latvia, Estonia, Lithuania) have disappeared from the ranks of sovereign countries, and are now members of the Union of Soviet Socialist Republics.'

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Samuel Van

"That is all Professor Valkenburg has to say about one of the most unjust and cruellest annexations in modern history. Neither the United States nor Great Britain have ever recognized the Soviet theft of the Baltic States. The simple fact that those states are forcibly occupied by a foreign power does not deprive them of the ranks of sovereign powers as was shown in the case of Hitler's occupation of France, Poland, Norway, Holland, Belgium, etc.

"Professor Valkenburg's chapter on the Baltic States is a good example of the kind of distortion of history and of the complete misrepresentation of facts so characteristic of FPA publications.

> "'Only for the short inter-war period (1920-1939) were they independent. In earlier times they were dominated by the Danes, the Teutonic Knights, and the powerful Hanseatic League. Later there came the Swedes, the Poles, and finally the Russians after Peter the Great had consolidated his empire,' writes the Professor.
>
> "'Suffering was severe during the long period of German control, which followed the swift advances of the German armies in 1941. Now Russia is back and the three Republics are members of the Union of Soviet Socialist Republics.'

"A note appears at the end of every Headline Book saying: 'The object of the Foreign Policy Association's Headline Series is to provide sufficient unbiased background information to enable readers to reach intelligent and independent conclusions on the important international problems of the day.'

"To enable the reader 'to reach intelligent and independent conclusions' on the Baltic problem he should certainly get a fair description of the historical events which led the Baltic countries into their present predicament. Professor Van Valkenburg does not make the slightest attempt to depict the most important facts about the many crimes Stalin had to commit to be able to annex the three states. The reader does not learn anything of Molotov's solemn declaration that the Soviet Union would never annex the Baltic States, he does not learn about the Russian occupation of the three states and the tremendous sufferings the populations had to endure, not only under the Germans but under the Russians too. No word is wasted about Stalin's violations of the treaties the U.S.S.R. concluded with Latvia, Lithuania and Estonia, solemnly recognizing their independency. No reference is made to Sumner Wells' famous condemnation of Stalin's theft, or of the protests of President Roosevelt himself.

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"The great distortions of historical truth, in this one chapter on the Baltic States, which alone constitute grave evidence against the FPA, induced two outstanding personalties of Baltic origin to protest. Constantine Vurgola, president ot the Lithuanian American Council and director of its Information Center sent a letter to the FPA from which I quote:

"'October 31, 1945

"'Your recent publication (Headline Series, No. 53, 'European Jigsaw', by Samuel Van Valkenburg and C. Grove Haines) has come to our attention.*** Chapter 7, on the Baltic States*** is deficient in basic knowledge of their history.***

"'Contrary to the author's assertion that the Baltic States were independent 'only for the short inter-war period(1920-1939)' the fact is that*** there had been independent Latvian and Estonian states prior to their final conquest by the Teutonic knights.***

"'The Grand Duchy of Lithuania had been an independent state from the year 1200.

"'Lithuania had never been dominated by the Danes, the Teutonic Order, the Poles, the Swedes or the Hanseatic League.

"'Neither was there any 'German nobility' in Lithuania, and the Germans never 'possessed most of the land' there.

"'Russia recognized the independence of Lithuania (in 1920) on its own initiative and all three Baltic Republics were lavishly praised by the Kremlin from then on until June 15, 1940, as being the friendliest and most cooperative among all the neighbors of Russia.***

"'After Poland had been subjugated, Lithuania was 'assigned' to the Russian sphere by the Nazi-Soviet partners.

"'Concerning the so-called 'elections' of July, the best proof of their fraudulency may be found in the fact that the 'results' were published in London by the Soviet Press Agency fully 24 hours before the closing of the polls.

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"'Finally, the last assertion of the authors - 'Now Russia is back and the three Republics are members of the U.S.S.R.' - could hardly be termed unbiased. It may be nearer the truth to state that New Russia is back and the Soviet Government considers them as members of the U.S.S.R.'

"This sound criticism of the gravest misrepresentation of basic facts pertaining to the history of the Baltic States and their annexation by the Soviet Union could not easily be answered. Therefore, neither Professor Van Valkenburg, nor C. Grove Haines, nor Mrs. Dean, nor any other officer of the FPA answered Constantine Jurgela. Vera Micheles Dean

Samuels

"An even stronger protest was sent to the FPA by Kaarel Pusta, former Estonian Foreign Minister and representative to the League of Nations. Kaarel Pusta is the author of the outstanding work 'Soviet Russia and the Baltic States' and an outstanding authority on the Baltic problem. An unbiased FPA would have welcomed his criticism. Instead, Professor Valkenburg treated Mr. Pusta as he had treated Mr. Jurgela. He did not answer Mr. Pusta's letter to the organization, a letter which brilliantly exposes the falsification of history by the FPA.

"Mr. Pusta's letter reads:

"'October 17, 1945

"'Dr. C. Grove Haines
Editor of Headline Series
Foreign Policy Association

"'Dear Sir:

"'May I as a member of the Foreign Policy Association submit a few remarks on some omissions and misrepresentations in the last Headline Series' issue (European Jigsaw, number 53, July-August 1945).

"'I don't think that it befits a Foreign Policy Association publication, whose object is said to 'provide sufficient unbiased background information to enable readers to reach intelligent and independent conclusions on the important international problems of the day' to insist on the fiction that the Treaty of Versailles 'created a continuous zone of independent states, the so-called 'cordon sanitaire' against Communist Russia' (p. 7). It is easy to prove, for instance, that the Treaty of Versailles certainly did not create the three Baltic republics: Estonia, Latvia and Lithuania.

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"'It is not 'unbiased background information' when your author Mr. Samuel Van Valkenburg says (p. 24): 'The following year (1941) when Germany attacked the Soviet Union Finland decided, under German pressure, to enter the war and gamble on a German victory.' The truth is that in the morning of June 22, 1941, Russia began to bomb Finnish territory and, although the Russian attacks were directed chiefly against open localities and the civilian population, Finland did not counter-attack, but protested through diplomatic channels. Nevertheless, on the 25th of June, the Soviet forces launched a general attack upon that country and only then Finland took the field to defend herself.

"'The three democratic Baltic republics were not created 'after a period of revolt and unrest' as Mr. Van Valkenburg puts it, (p. 27) but after eighteen months of fierce fighting against both Russian and German aggression, after the liberation wars, which brought up freely negotiated and universally recognized peace treaties with Russia in 1920.

"'Your author concludes his rather abstract record of the Baltic States as follows:

> "'Suffering was severe during the long period of German control, which followed the swift advances of the German armies in 1941. Now Russia is back and the three Republics are members of the Union of Socialist Republics.'

"'There is no mention about the U. S. Government's vigorous comment of July 23, 1940 (published in State Department Bulletin of July 27, 1940) on the Soviet annexation. Not a single word about the conditions which they endure today. Neither does the record reveal to the readers of the HEADLINE SERIES the fact that the United States and Britain still recognize Estonia, Latvia and Lithuania as independent states and that their ministers and consuls are still accredited in this country.'

"C. Grove Haines, Professor of Diplomatic History answered Mr. Pusta's letter:

"'I am glad tohave your letter of October 17 in regard to Professor Van Valkenburg's recent Headline Book. It will be submitted to Professor Van Valkenburg for additional reply if he cares to make

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Samuel

"one. (Professor Van Valkenburg did not care!) Your reactions are quite understandable but I think you will agree with me on two things. First, in a pamphlet with the limited dimensions of a Headline Book it is not possible to deal with any particular question in detail. For example, the amount of space allotted in manuscript to the Baltic Republics scarecely exceeds the length of your letter. Consequently there could be little elaboration. In the second place, you will agree with me that where facts are not clearly established it would not serve the stated purpose of the Headline Series to present only one of several interpretations.'

"This correspondence needs no commentary. But the Baltic problem is by no means the only one misrepresented by Professor Van Valkenburg. Chapter 9 of his book deals with East Prussia and the Corridor problem. This chapter ends with:

"'East Prussia has returned to the Slavs. Russia's desire for Koenigsberg as an ice-free port has been supported 'in principle' by the Potsdam Conference and the boundary will probably run south of the Pregel River. The Polish Masurians will return home, whether they like it or not. Perhaps the Problems of East Prussia and the Corridor have been solved.'

"The method Professor Van Valkenburg applies to 'solve' the most intricate problems is exactly in line with the brutal and conscience-less way of Communists throughout the world. Professor Van Valkenburg 'solves' in like manner the problem of Poland's western boundaries. (He fully approves Stalin's 'solution' of the problem of Poland's eastern boundaries.) He had thus already begun in 1945 to undermine the future policy of the State Department. Roosevelt, Truman, Byrnes, Marshall, Churchill and Bevin never accepted Stalin's unilateral 'solution' of Poland's western boundary problem. But Mr. Van Valkenburg and the FPA accepted, two years before the Moscow Peace Conference, Stalin's solution. This sets up the FPA as an agent in the promotion of Stalin's foreign policy in the United States. In this endeavor Professor Van Valkenburg delivers himself of a masterpiece in cynicism:

"'However, Poland has suffered severely and has the full sympathy of the world. The rich land of Silesia and Pomerania would more than offset the Polish losses to Russia as far as productive value is concerned. Probably most of the Germans have left anyway (!) and although it may be difficult for the Poles at first to populate the new land, the high Polish birth rate will take care of that.'

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Prof. Samuels

"Another international problem 'solved' by Mr. Van Valkenburg is that of the Carpatho-Ukraine. On March 5, 1943, when well-informed experts predicted that Stalin would like to annex the Carpatho-Ukraine after the war, Mrs. Dean stated in the Foreign Policy Bulletin:

Vera Micheles

"'The Soviet Government, for its part, has stated that it recognizes Czechoslovakia's pre-Munich frontiers, thus putting an end to reports that, once the war is over, it might claim Ruthonia, a section of pre-1939 Czechoslovakia whose population is predominantly Ukrainian in origin.'

"When in 1945 Benes was forced in Moscow to cede the eastern territories of Czechoslovakia, Mrs. Dean and the FPA failed to mention the violation of another solemn commitment made by the Soviet Government. The FPA, through Professor Van Valkenburg, immediately justified the annexation by Stalin. To do this he invented a lie:

"'Bordering the Ukrainians across the Carpathian passes, they expressed willingness to join them and enter the Soviet Union. An agreement (June 1945) between Czechoslovakia and the Soviet Union has legalized this step.'

"Even a professor of Geography should know that the only legal expression of such a 'willingness' to join the Soviet Union would have been a plebiscite without any foreign troops present, in accordance with the principle established by Lenin. Professor Van Valkenburg should know that there was never the slightest idea of such a plebiscite in the Carpatho-Ukraine. The truth is very simple, Mr. Benes was summoned to Moscow and signed away the Carpatho-Ukraine, as Dr. Hacha had done earlier at the behest of Hitler.

"The same line of biased, pro-Soviet misrepresentation of facts and events, the same kind of distortion of a well-established historic record can be found in another little FPA book, specially addressed to the juvenile reader, published in 1945 and bearing the title: 'Russia and America - Old Friends - New Neighbors.' Its author is Delia Goetz, staff member of the FPA's Washington Bureau. From this little and popularly written collection of distortions, the American children learn, for instance that:

"'Two weeks later Russia seized eastern Poland, which she said she needed to improve her defenses. For this reason too the following June she moved in on her Baltic neighbors - Lithuania, Latvia and Estonia - and occupied their territory.'

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"The spirit in which this book was written can also be learned from an attached list of 'Recommended Reading' which appears at the end of the book. Among the books recommended to America's youth we find:

"Vera Micheles Dean: 'Russia at War'
"Nina Baker: 'Peter the Great' published by the National Council of American-Soviet Friendship
"Maxwell Stewart: 'Land of the Soviets' published by the Institute of Pacific Relations
"Anna Louise Strong: 'Peoples of the U.S.S.R.'

"After careful study of many of Mrs. Dean's speeches over the radio, I selected two as generally typical of her broadcasts.

"One of them was on August 2, 1945, over the American Broadcasting Company's Town Meeting of the Air. The subject was 'How Can Russia and America Live in Peace?' The pro-Stalinists consisted of Walter Duranty and Mrs. Dean, the anti-Stalinists were William L. White and Louis Fischer. H. V. Kaltenborn functioned as moderator.

"The first speaker to take the floor was Louis Fischer. Said he:

"'Silence and appeasement solve no problems. The talk of war with Russia started when Russia began extending her territories. During this Second World War Russia has annexed the Baltic States after Commissar Molotov pledged his Government not to do so.

"'Russia has annexed Eastern Poland in violation of the clear text of the Atlantic Charter. Russia has annexed Polish, Rumanian and Czechoslovak lands which never belonged to either Czarist or Soviet Russia.

"'Russia has placed Communists, most of whom lived for years in Moscow and many of whom were until recently Soviet citizens, in the key positions of the governments of Poland, Finland, Rumania, Bulgaria, Hungary, Czechoslovakia, Austria and Yugoslavia.

"'Russia set up the Austrian and Rumanian governments unilaterally in violation of the Yalta agreement which calls for joint action.

"'Finally, Stalin handed over one-fifth of prewar Germany to the Russian dominated Government of Poland. This is what is new. This vast territory from the Baltic to the Aegean and inhabited by about 120,000,000 people is Russia's new sphere of influence.

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"'Moscow has made territorial and other demands on Turkey.***

"'I humbly submit that these are the reasons for the tension between Russia and the western powers.***

"'To prevent a war and to improve relations with us, Russia must, first, take her troops and agents out of Poland, Rumania, Hungary, Yugoslavia, Bulgaria, Czechoslovakia, Austria, and Persia.

"'Second, Russia must permit American, British and other journalists and diplomats free access to and free movement in all these countries.'

"This was the crystal clear position, Mr. Louis Fischer took. The first speaker of the pro-Stalinist group to answer Mr. Fischer was Walter Duranty. Said Mr. Duranty:

"'To begin with, I cannot see that American interests are in any way injured by this Russian policy, if it is being carried out as Mr. Fischer claims.'

"Following him, came Mr. William L. White, who made this remark:

"'***we should remember that, carried beyond a certain point, concessions can bring war instead of peace. I hope the world learned that at Munich.'

"And then Mrs. Vera Micheles Dean took the floor. She began her speech with the following sentence:

"'I am in the unhappy or paradoxical position of agreeing with practically every speaker who has spoken so far.'

"I do not know of any other remark Mrs. Dean ever made which is more compromising than this utterance.

"If words still make sense at all this declaration of Mrs. Dean's means that she agrees that war with Russia cannot be prevented if the Russians do not withdraw troops and agents from Poland, Rumania, Hungary, Yugoslavia, Bulgaria, Czechoslovakia and Austria, as Mr. Fischer said and, at the same time, she believes the exact opposite, as expressed by Mr. Duranty, who said: 'I cannot see that American interests are in any way injured by this Russian policy***.'

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"How one can hold such completely contradictory opinions will always remain Mrs. Dean's secret.

Vera Micheles

"Mrs. Dean's declaration becomes even more compromising if we take it as its face value. Then we have to draw the following conclusions:

"1. Mrs. Dean believes that war with Russia cannot be prevented and relations with the U.S.S.R. cannot improve if Stalin does not pull out of Poland, Rumania, Hungary, Yugoslavia, Bulgaria, Czechoslovakia and Austria.

"2. If Mrs. Dean agrees with this opinion why has she never told this to her readers of the FPA publications?

"Mrs. Dean's participation on the Town Meeting of the Air raises some other pertinent questions. Immediately after Mrs. Dean had told her audience that she agrees 'with practically every speaker who has spoken so far' she played her old trick of drawing the already well known red herring across the trail, saying:

> 'But*** we must also remember that many of the criticisms that we make of Russia are criticisms that could be addressed to any great power in an hour of great victory.'

"Unfortunately no attendant of the meeting asked Mrs. Dean to tell him if, when and where the United States or Britain annexed hundreds of thousands of square miles and created spheres of influence with more than 120,000,000 people. Mrs. Dean said:

> 'Moreover, in asking for free elections in Eastern Europe and the Balkans, let us remember that free elections on the western model are not familiar to most of the peoples of this region of Europe.
>
> 'When we speak of Russia's sinister territorial motives as seen in the actions of some of the so-called friendly countries along its border, we might notice that Greece where Britain, not Russia, is the influential country, is asking for Turkish territory.'

"This remark undoubtedly leaves the impression with the average listener that the integrity of Turkey has been threatened by Greece and never by the Soviet Union. This is a plain falsification of history. It shows that Mrs. Dean not only ignores and misrepresents current events of historic importance but even completely forgets what she herself has published.

"The Russian claims for Kars and Ardahan have officially been known since June 25, 1945. On July 20, 1945, the FPA carried an article 'Russia Resumes Historic Role in Middle East' by Grant S. McClellan. In this article Mr. McClellan, endorsed Stalin's claims for Turkish territory. Wrote Mr. McClellan:

> 'Recent precedents in Eastern Europe *** suggest that after prolonged negotiations and after the great powers have adjusted their claims with respect to the Dardanelles, Kars and Ardahan will be turned over to the Soviet Union. Here, above all, Moscow's policy seems to be motivated by an attempt to rectify the terms imposed on a gravely weakened Russia at the time when it withdrew from World War I.'

"When Mrs. Vera Micheles Dean appeared before the Town Meeting of the Air on August 2, 1945, she obviously had forgotten what she endorsed less than two weeks before.

"Another radio discussion with Mrs. Dean as participant was broadcast over station WQXR on January 29, 1946 ('What's On Your Mind,' presented by The New York Times and rebroadcast on March 17, 1946 by the World Wide Broadcasting Foundation in collaboration with the Carnegie Endowment for International Peace. The subject was again 'Russia and the United States - Can We Understand Each Other?' The speakers were Harold E. Stassen, William H. Lawrence, Father George B. Ford and Vera Micheles Dean.

"Mrs. Dean stated:

> 'I think we may be overstressing this question of freedom of the press with regard to Russia. There are not many countries where there is freedom of the press in the American sense, and if we really felt we couldn't get along with a country simply because it doesn't have freedom of the press in our sense, I am surprised we got along so well with France before the war. As you know, the French press was heavily subsidized, and most of it was not free in the sense of expressing free ideas.
>
> 'So that I think what the Russians say about freedom of the press is not quite as mistaken as it sometimes is said to be. They misunderstand our view of the freedom of the press because they have too much the impression that advertisers and others control the press, but when they read someof our newspapers, they may get the impression that after all, not all points of view are really presented in every newspaper published in this country.'

~~Dean~~ Vera Nicholes

"The red herring trick worked again. Within two minutes, Mrs. Dean reversed the positions. Now it is Soviet Russia who is right in complaining about the missing freedom of the press in the United States! Mrs. Dean misrepresents the whole question of freedom of the press, pretending that 'freedom of the press' demands that 'every newspaper' present 'all points of view.'

"It was also during this broadcast that Mrs. Dean again betrayed her real sympathies.

William H.

"Mr. Lawrence made this statement:

> 'The only organized movement I know of in Russia is the one run by the government, as reflected in the official press, is such as not to promote understanding of exactly what this country stands for or what it accomplishes.'

"Mrs. Dean took up the defense of Stalin's regime:

> 'I am under the impression that there is no ban on the reading of American books in Russia, is there? And, as a matter of fact, it is amazing how many translations that I know of have been made of American literature in Russia and how much the Russians are asking for books and publications about the United States.'

"May I ask Mrs. Dean how it comes that she, as the director of research of a very important and influential organization, is under the fantastic impression that there is no ban in Russia on the reading of American books, as she stated it in this broadcast? Does Mrs. Dean not know that the American magazine in Russian, published by the American Government, has to be submitted in manuscript to the Russian censor before it can go to press?

"Since I am certain that Mrs. Dean was perfectly aware of the strict censorship of all reading matter in Russia, I assume she was deliberately obscuring the issue when she went head over heels in defending the present Soviet regime.

"Mr. Lawrence gave the correct answer:

> 'If I may, I would like to clear up this point about the translations of American books which appear over there. They are perfectly harmless books. They are books by Fenimore Cooper and Jack London. I

~~Dean~~

'know, as a matter of fact, that the agreement providing for the American air bases in the Soviet Union permitted the American personnel to receive copies of American magazines and newspapers only on the explicit understanding by the United States Government that when those magazines and newspapers had been read, they would systematically be destroyed lest they fall into the hands of Russians who could read.'

"Mrs. Dean's answer is revealing:

'Now, I am very interested in that, because it so happens that the very subversive (!) publications of the Foreign Policy Association are asked for specifically on exchange by a number of Russian institutions in return for which the Foreign Policy Association receives the publications issued by those institutions. Those publications are not burned, and they do happen to be informing the American public about world affairs, so I hope they are doing a little tidbit among the Russians, too. I don't t ink we should really take only one end of this discussion about publications.'

"With this statement Mrs. Dean unmasked herself for the second time within ten minutes. For surely Mrs. Dean knows that FPA publications are not permitted general circulation in Russia but go to those particular 'Russian institutions' which also scan The New Leader. The only publications which go beyond the walls of the Foreign Ministry, the NKVD, etc., are those which follow the Kremlin line 100% - and if Mrs. Dean wishes to make this point about FPA publications, we are perfectly willing to let her!

* * * * *

"These are the facts. They represent only a small part of the vast evidence which has been accumulated against Mrs. Dean and the staff of the Foreign Policy Association. But there is sufficient material here to constitute a condemnation of Mrs. Dean's activities. It is clear that as director of research, editor, writer, and lecturer, Mrs. Dean has used the Foreign Policy Association for only one purpose - to vindicate to the American public everything that the Soviet Union has done. In other words, she has converted an important medium of public education into a peddler of pro-Soviet apologetics, and in so doing worked against the best interests of her adopted country, the United States.

Vera Micheles

"There is a further, and more direct conclusion to be drawn from the material herein cited. Mrs. Dean's activities are detrimental to the interests of the organization she is paid to serve, the Foreign Policy Association. The FPA, in its constitution of 1928, pledged itself 'to carry on research and educational activities to aid in the understanding and constructive development of American foreign policy.' Obviously Mrs. Dean has betrayed this purpose and in consequence should be removed from her position of trust as director of the Association's research and editorial departments. When this has been done, and when able and sincere officials have replaced the present crew of Stalinoids, the Foreign Policy Association will regain its place as an honest counsel of American public opinion.

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"Some highlights from Vera Micheles Dean's writings or from articles published under her editorship in the Foreign Policy Bulletin (FPB),

"V.M.D. - Vera Micheles Dean

"FPB, January 1, 1943 — 'It is one of this war's anomalies that the United States should still be at peace with Finland.' (Washington News Letter by John Elliot.)

"FPB, January 15, 1943 — 'The pattern for such a framework is not that of the United States, as advocates of federal Union have contended, because the problems of Europe are vastly different in nature and scope from those of this country. A far more promising pattern is that of the U.S.S.R., where some 150 races and nationalities enjoy an opportunity for cultural autonomy - although not fully in the case of religion - but have been united under a centralized political and economic administration.
(V.M.D. 'The Pattern of Europe's Future')

"FPB, February 5, 1943 — 'The Russians, like the Americans, have unbounded faith in material progress, enhanced by the relatively recent experience with the modern machine. And, like the Americans, the Russians combine this faith in material progress with a sincere desire to advance human welfare.'
(V.M.D. 'Hitler again proclaims "Crusade against Bolshevism"')

"FPB, May 14, 1943 — 'The first thing that must be borne in mind is that no American layman, without official knowledge of Soviet-Polish relations since the German invasion of Russia in 1941 - which reversed Russia's attitude toward Poland -

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'can reach anything resembling a well-founded judgment about the activities of Poles deported or evacuated to Russia after Poland's collapse in 1939. If past experience is a guide, there are probably rights and wrongs on both sides.

'RUSSIA WANTS FRIENDLY POLAND. But whatever may be the merits of the controversy over the activities of these Poles, there is no reason to doubt that Stalin was sincere when he said, on May 5, that the U.S.S.R. wants a relationship based upon "solid good neighborly relations and mutual respect" with a "strong and independent Poland" or if the Polish people so desired, "an alliance providing for mutual assistance against the Germans as the chief enemies of the Soviet Union and Poland." For years before 1939 the Soviet Government had regarded with suspicion the activities of the Polish Government of "colonels", and especially of its Foreign Minister, Colonel Beck, believing that this group, inspired by anti-Russian and anti-Communist sentiments, was ready to play ball with Hitler against the U.S.S.R.

'These suspicions were sharpened by the realization in Moscow that Poland, whose industrial and agricultural backwardness made it highly vulnerable to German pressure, would prove unable to resist an attack by Germany, which would place German armed forces directly on the Soviet border. Russia's worst expectations on that score were realized when Germany invaded Poland on September 1, 1939. The subsequent occupation by Russia of Polish Ukraine and Polish White Russia, and their incorporation on November 29, 1939 into the Ukrainian S.S.R. and the White

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"	'Russian S.S.R. respectively, was justified from the Russian point of view by considerations of self-defense.' (V.M.D., 'Polish Problem Tests Relations of Great and Small Powers.')
"FPB, May 21, 1943	'It is essential, however, that in dealing with what might be described as conservative groups, Britain and the United States should not for a moment give the impression that they are seeking some kind of a bloc hostile to theSoviet Union. Fear of such a bloc has long dominated Moscow, and has not yet been completely dispelled. To dispell it, Britain and the United States, and others among the United Nations, must adopt a second cardinal principle - and that is not to fear radicalism, whatever its form, just because it seems to break with theknown traditions of any given European country. Fundamental internal transformations may have to take place in a number of countries on the continent - among them, obviously, Germany - if Europe is to start on post-war reconstruction with a tolerable clean slate. These transformations may come, in some countries, through reforms; in others, where reforms are not forthcoming through revolution.' (V.M.D., 'Democracies must not fear Radicalism')
"FPB, May 21, 1943	'Nothing could be further from the truth than the Nazi propaganda claim, used by Hitler so effectively in 1938, that Benes is "Stalin's stooge."' (John Elliot, Washington Newsletter)
"FPB, May 28, 1943	'The decision of the Presidium of the Executive Committee of the Communist International, reached on May 15, and announced on May 22, to propose its own dissolution to its sections

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'in various countries, marks a turning point not only in the war, but also in the turbulent history of our times.' By dissolving the ties that bound Communist parties throughout the world into an international organization, the Comintern removes itself from the arena of the world-shaking ideological debate that has raged ever since its formation by Lenin in 1919. Its disappearance, at the same time, is the culmination of profound changes that have been taking place in Soviet foreign policy during the past quarter of a century.'

'If Russia's relation with its weaker neighbors should be guided in the future by concern for their welfare, and that of the world community, as well as the welfare of the U.S.S.R., then it can greatly help post-war reconstruction - as the dissolution of the Comintern indicates it wants to do.
(V.M.D., 'End of Comintern Clarifies Russia's Policy')

"FPB, July 30, 1943

'The moot question whether the Soviet Government did or did not inform Britain and the United States of its plans for the establishment of a German anti-Nazi committee might be more cogently answered if we knew whether Britain and the United States had informed Russia in advance about the establishment of AMGOT in Sicily.'

"FPB, December 17, 1943

'Book Review: "My Native Land" by LOUIS ADAMIC

'Authentic and vivid story of Yugoslavia's resistance to the Axis and the civil war now raging between Chetniks and Partisans.'

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"FPB, January 28, 1944

'First of all, it should be said that Russia's proposal, as expressed in its January 11 declaration, to reconsider the Ribbentrop-Molotov frontier settlement of 1939 and to adopt the Curzon Line as the basis of negotiation with the Poles was a fair offer, especially considering the fact that the Soviet Government is at present in a position to dictate the terms of a settlement that might be far less advantageous for Poland.'
(V.M.D., 'Russia's Territorial Offer Fair'.)

"FPB, April 6, 1945

'Ever since the announcement of Foreign Commissar Molotov on February 1, 1944 that the 16 constituent republics of the U.S.S.R. were to maintain their own military contingents and conduct their own foreign affairs, it had been expected that Moscow would ask for 16 votes in an international organization. So far it has limited its request for separate votes to the White Russian S.S.R. (which includes Polish White Russia) and the Ukrainian S.S.R. (which includes Polish Ukraine), in addition to the vote of the U.S.S.R. proper.'
(V.M.D., 'Urgent Political Issues Steal Spotlight from San Francisco')

"FPB, May 4, 1945

'Book Review: "Report on the Russians" by William L. White:

'A gifted American writer who knows little of Russia's past history or present problems vividly presents his gloomy impressions on a first visit to that country.'

"FPB, June 15, 1945

'The fact, moreover, that foreign correspondents have not been permitted, in many instances to enter Russian-occupied territories - a situation easily explainable by considerations of security*****'

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"FPB, June 15, 1945

'At the same time, it would be dangerous to let annoyance with this or that move of the American Communists affect our judgment about the situation in Europe. For by denouncing Communists wholesale we merely carry on the work of Dr. Goebbels. In many of the liberated countries the Communists played an honorable, and in fact, heroic role in resisting the Nazis, and have shown genuine concern about the problems of reconstruction.***

'We still have to fight reaction on many fronts, but can hardly do so by taking up its favorite weapon - fear of Communism.'
(V.M.D., 'Fear of Change Must Not Be Allowed to Jeopardize Peace')

"FPB, June 15, 1945

'Any satisfactory Far Eastern policy must recognize that it is at least as reasonable for the Russians as for ourselves to be interested in Manchuria, Korea and other territories which lie directly across the borders of the U.S.S.R. but are a considerable distance from the United States. Nor should it be assumed that any expression of interest automatically indicates Moscow's desire to annex or gain unwarranted influence in lands not belonging to it.

'Our policy should also be based on the premise that it is essential to seek common solutions with the Russians instead of jumping to the conclusion that their position is inevitably unreasonable. It is true that satisfactory American-Soviet relations depend on Moscow as well as on Washington and that the Russians, like ourselves, may make mistakes in the Far East. But the Soviet Record in that region is in certain respects better than our own, for the U.S.S.R. supported Chinese resistance

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'and opposed Japanese aggression at a time when the United States was still sending oil and scrap iron to Tokyo. Under the circumstances we should be at least as aware of our responsibility for peace in the Far East as we are of the responsibility borne by the Russians.'
(Lawrence K. Rosinger "Sound Policy in Asia Requires U.S.-Soviet Cooperation")

"FPB, June 22, 1945

'When the Russians place on trial the sixteen Poles accused of "diversionary activities" in Poland during the war, they place on trial not so much the individuals concerned as a way of life which, in their opinion, produced a hostile attitude toward Russia and toward Polish elements supporting Russia.'
(V.M.D., "Big Three Seek Common Ground on Policies Toward Europe")

"FPB, February 22, 1946

'He (Stalin) also believes that the "multi-national" Soviet state has successfully stood the test of war and has effectively solved "the national problem and the problem of collaboration among nations." Stalin's emphasis on the "multi-national" character of the Soviet is not in defiance of UNO, as it has been interpreted in some quarters. Rather it should be studied in connection with the emphasis placed by Pope Pius XII on the "supra-national universality" of the Catholic Church**

'The wisest thing we can all do today is to air our respective suspicions andmake no bones about our respective grievances. A good start in that direction was made in the UNO Security Council, where Russia, far from being lackadaisical, took an active part in all debates and helped to get the discussion on a realistic basis. Russia will continue to make a strong two-fold appeal because of its

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'reiterated sympathy for colonial peoples and the success of its multi-national system, emphasized by Stalin.'
(V.M.D. 'U.S. and Russia Must Overcome Mutual Suspicions')

"FPB, March 8, 1946

'Is it possible that we may be expecting of Russia higher standards of international conduct than our own? If the atomic bomb, as some say, has made the possession of strategic bases obsolete, Russia (which is barred from sharing our atomic secret) has therefore little reason to claim bases in the eastern Mediterranean or Manchuria. But then why is it that we seek bases in Iceland and Greenland (which might seem rather menacing when seen from Russia's northern regions), and are reluctant to place under trusteeship the Pacific bases we took from Japan? Why do we not urge Britain to give up bases presumably made obsolete at Gibralter, Malta, Singapore? If we feel the Russians are selfish and short-sighted in seeking to establish spheres of exclusive economic influence in Eastern Europe and Manchuria, why do we not prove ourselves unselfish and far-sighted by extending a loan to Britian without further tergiversation (or even making a free gift, as former Ambassador Kennedy has suggested)?***

'For if we are really honest with ourselves, we cannot escape the conclusion that since V-J Day our economic withdrawal, our naked materialism as exemplified by our attitude toward the feeding of starving peoples, our political vacillations, and above all, our moral negativism, have done more to keep the world in turmoil than Russia's actions.'
(V.M.D., 'Is Russia Alone to Blame?')

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SECRET

ADMINISTRATIVE PAGE

On June 12, 1950, Mrs. ISABELLE E. WILLIAMS, 600 West 113th Street, New York City, advised SA [redacted] that she had been employed by the FPA from May, 1949 until March, 1950, she having been assistant to the Director of the Speakers Bureau, FRANCES M. PRATT. Mrs. WILLIAMS advised that BROOKS EMENY was President of the FPA and THOMAS L. POWER was Vice-President. She believed that POWER was a homosexual and when he was employed by the FPA, it was EMENY who insisted upon his employ. Mrs. WILLIAMS believes that the relationship between EMENY and POWER was more than just a business association. b6 b7C

In addition, Mrs. WILLIAMS was of the opinion that both Mrs. VERA MICHELES DEAN and Miss FRANCES PRATT were Communists; however, she could not furnish anything specific to substantiate this allegation. She mentioned that EUSTACE SELIGMAN, who is treasurer of the FPA and a wealthy individual who has contributed a great deal of money to the FPA, had written a strong letter to the FPA, protesting the continued employment of Mrs. DEAN. She also stated that the FPA had attempted to get the World Affairs Council for Southern California and the Council on Foreign Affairs in Kansas City to join the FPA, but that these organizations refused because they believed the FPA to be sympathetic toward Russia.

Further concerning BLAIR BOLLES, Director of the Washington Bureau of the FPA, it is to be noted that Confidential Informant T-60, of known reliability, has advised of contacts and luncheon engagements between BLAIR BOLLES and MONROE STERN, Press Relations Officer of the Yugoslav Embassy. In addition, the Washington Field Office in aletter dated February 10, 1949 to the Bureau, captioned "YUGOSLAV ACTIVITIES IN THE U.S.; INTERNAL SECURITY - YU" has advised that file references show BOLIES to be generally in contact from time to time with diplomats of Russia and her satellites.

In addition, HAROLD HILL COLLINS, JR., who had been named by WHITTAKER CHAMBERS as a member of the HOWARD WARE group, had directed a letter of unknown context to BOLLES in August, 1947 and according to the Washington Field sources, later contacted BOLLES about getting a job in the writing field. Other Washington Field sources reported that BOLLES and his wife were very friendly with ROBERT TALBOT MILLER III and his wife, JENNIE. According to the Washington Field, MILLER was named by informant [redacted] as one of the persons involved in the SILVERMASTER Case. b7D

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ADMINISTRATIVE PAGE, CONTINUED

The Washington Field in its letter to the Bureau pointed out that all references pointed to contacts by BLIVEN with persons in whom the Bureau has been interested, but that such contacts to a great extent can be explained as commensurate with the position he holds with the FPA.

(U) Further, concerning BRUCE BLIVEN, Confidential Informant T-61, of known reliability, reported on November 10, 1947 that VENIAMIAN MACHAVARIA, Second Secretary of the Soviet Embassy in Washington, D. C., invited BRUCE BLIVEN of the FPA to have lunch with him and advised that BLIVEN had attended receptions at the Soviet Embassy.

(U) Confidential Informant T-62, of known reliability, has reported that Dr. EDWARD BARTOL, Counsellor of the Polish Embassy, Washington, D. C., invited BRUCE BLIVEN and his wife to dinner on June 15, 1949, which was accepted by BLIVEN. In regard to BARTOL, it is to be noted the Bureau in a letter to the Washington Field, dated November 23, 1948, captioned "EDWARD BARTOL; INTERNAL SECURITY - R & POL", advised that information had been received in September, 1946, from sources considered reliable, that BARTOL, a Polish citizen, had been transferred from the Soviet Army to the Polish Foreign Office and then to the Polish Legation as Charge d'Affairs. In addition, it was reported that BARTOL was fully backed by the Soviets and engaged in Polish Communist Party underground activities.

(U) Further, concerning VERA MICHELES DEAN, Research Director of the FPA, it is to be noted that Confidential Informant T-63, of known reliability, advised that the address book of IRINA ALEKSANDER, as of October 28, 1947, reflected the name of "VERA DEAN, 1170 5th Avenue". Concerning ALEKSANDER, it is noted that Dr. JOSEF PODEYE, 11 Broadway, New York City, advised SA JOHN R. MURPHY in 1948 that since her arrival in the U. S., ALEKSANDER has continued to associate with Communists and Russians and Yugoslav Consulate personnel, as well as with others of a "liberal" viewpoint.

On September 25, 1947, Confidential Informant T-64, of known reliability, advised that HENRY HILL COLLINS, JR. and H. BOWEN SMITH had discussed the FPA and that SMITH had mentioned he had met VERA MICHELES DEAN whom he described as being very courageous on the "Russian thing" to the point where she was being "baited" even within her own organization.

Further, concerning OLIVE HOLMES, a research associate, it is to be noted that it has been mentioned in this report that Confidential Informant T-5 on September 10, 1947 stated that HOLMES was actively identified with the UOPWA, a Communist dominated union. In this regard it is noted that in July

ADMINISTRATIVE PAGE, CONTD

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1949 SA GEORGE H. VALENTINE interviewed OLIVE HOLMES in connection with a loyalty investigation of WINIFRED MARIE HADSEL, who had formerly been an employee of the FPA. During the course of the interview, HOLMES mentioned to SA VALENTINE that she, herself, was a member of Local 18 of the UOPWA, which she categorized as being "very red."

Further, concerning FRED W. RIGGS, a Research Associate, it is to be noted that Confidential Informant T-65, of known reliability, furnished a booklet of the World Youth Festival, held in Prague, Czechoslovakia in August, 1947. This booklet set out a list of the names of Americans who had attended the festival and also set out a list of sponsors of the festival. Included among the names listed as the sponsors was the name of FRED W. RIGGS. It is not known whether this individual is identical with the RIGGS employed by the FPA.

Confidential Informant T-29, of known reliability, reported in May, 1945 that KATE L. MITCHELL, 127 East 54th Street, New York City, receives the "Foreign Policy Reports," published by the FPA. Concerning KATE L. MITCHELL, it is to be noted that on June 6, 1945, she was arrested by FBI agents in the office of "AMERASIA", 225 Fifth Avenue, New York City, charged with conspiracy to violate Subsections C and D of Section 31, Title 50, United States Code and violation of Section 88, Title 18, United States Code. These charges against KATE MITCHELL were later dropped.

On December 9, 1946, Confidential Informant T-9 advised that the Soviet Embassy, Washington, D.C., subscribed to the publications of the FPA.

On December 5, 1948, Confidential Informant T-30, of known reliability, advised that on that day a "Hands Off China Rally" was held at the City Center Casino in New York City, and according to the informant copies of the "Foreign Policy Reports", published by the FPA were on display at the literature table. The informant stated that the above indicated rally was given under the auspices of the Committee for a Democratic Far Eastern Policy, which organization has been designated by the Attorney General as coming within the purview of Executive Order 9835.

One copy each of this report is being designated for the information of the following listed offices because branch offices or affiliates are located in the areas covered by these offices:

Albany	Houston	Oklahoma City
Boston	Indiannapolis	Omaha
Buffalo	Los Angeles	Philadelphia
Cincinnati	Milwaukee	Pittsburgh
Cleveland	New Haven	St. Louis
Detroit	New Orleans	St. Paul
		San Antonio
		Washington Field

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CONFIDENTIAL INFORMANTS

The confidential informants, mentioned in the report of SA [redacted] dated JUL 6 1950 at New York City, are identified as follows:

T-1 [redacted]
New York City
(Interviewed by SA [redacted])

T-2 [redacted]
(Checked by SE [redacted])

T-3 Pretext interview of [redacted]
[redacted] New York City
(Conducted by SA [redacted] on May 25, 1950)

T-4 G-2

T-5 ONI, 3rd ND, New York

T-6 [redacted]
New York City
(Interviewed by SA [redacted])

T-7 [redacted] New York City
(Interviewed by SA [redacted])

T-8 A high ranking official of the State of New York, whose identity is known to the Albany Office.

T-9 Washington Field Confidential Informant [redacted]

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CONFIDENTIAL INFORMANTS, CONTD

T-10 Pretext telephone call to the FPA, 22 East 38th Street, New York City (Made by SA [redacted] June 8, 1950)

T-11 Confidential Informant [redacted] (Contacted by SA [redacted])

T-12 Baltimore Confidential Informant [redacted]

T-13 [redacted] (Contacted by SA HOWARD W. LITTLE)

T-14 An anonymous source (designated as T-1 in the report of SA [redacted] 9/13/49, Albany, New York in the report entitled "[redacted] INTERNAL SECURITY - R; ESPIONAGE - R".)

T-15 [redacted] New York City (Contacted by SA [redacted])

T-16 Anonymous source

T-17 [redacted] New York City (Contacted by SA [redacted])

T-18 Confidential Informant [redacted]

T-19 Washington Field [redacted]

T-20 ~~Anonymous~~ NOT UTILIZED

T-21 Division of Eastern Affairs of the State Department (According to Bufile 61-6286-1, as set out in a memorandum prepared by the Bureau on the FPA, 12/12/40.)

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CONFIDENTIAL INFORMANTS, CONTINUED

T-22 [redacted]
(According to Bufile 61-7566-419, as set out in a memorandum prepared by the Bureau on the FPA dated 12/12/40.)

T-23 (U) [redacted]
New York City.)
[redacted] made by SAS (A) [redacted]
and [redacted])

T-24 Mail cover on the [redacted] Pittsburgh, Pennsylvania, during April and May, 1941, as set out in the report of SA [redacted], 12/23/41, Pittsburgh in the case entitled "[redacted] INTERNAL SECURITY - C; REGISTRATION ACT".)

T-25 Pittsburgh [redacted]

T-26 Washington Field [redacted]

T-27 New York Confidential Source [redacted]
(Contacted by SE [redacted])

T-28 [redacted]
[redacted] New York City
(Contacted by SA (A) ALBERT J. McGRATH)

T-29 Mail cover on the mail of [redacted]
[redacted] New York City, as set out in the report of SA [redacted] 5/19/45 at New York City, in the case entitled "[redacted] was.; ETAL; ESPIONAGE - X".)

T-30 [redacted]
(Contacted by SA [redacted])

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CONFIDENTIAL INFORMANTS, CONTINUED

T-31 [redacted] New York City
(Contacted by SA GEORGE H. VALENTINE in connection with the [redacted])

T-32 Albany Confidential Informant [redacted]

T-33 [redacted] New York City
(Contacted by SA WILLIAM J. TRACY.)

T-34 [redacted] New York City
(Contacted by SA [redacted]. It is to be noted that [redacted]

T-35 [redacted] New York City
(Contacted by SA [redacted] New York City and [redacted] New York City, [redacted]

T-36 [redacted] New York City
(Contacted by SA [redacted]

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CONFIDENTIAL INFORMANTS, CONTD

T-37 [redacted]
New York City
(Contacted by SA [redacted]

T-38 [redacted]
(Contacted by SA [redacted])

T-39 [redacted]

T-40 (U) [redacted] (X)
(Contacted by SAS [redacted] and [redacted])

T-41 [redacted]
(Contacted by SA [redacted])

T-42 [redacted]
Woodstock, New York
(Contacted by SA LOUIS P. HURLEY, Jr. [redacted]

T-43 [redacted]
(Contacted by SA [redacted]

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CONFIDENTIAL INFORMANTS, CONTINUED

T-44 [redacted]
(Contacted by SA [redacted])

T-45 [redacted] (X)
(U) (Contacted by SA [redacted])

T-46 [redacted]
(Contacted by SA [redacted])

T-47 [redacted]
(Contacted by SA [redacted])

T-48 [redacted]
(Contacted by SA [redacted])

T-49 [redacted]
(Contacted by SA [redacted])

T-50 [redacted]
(Contacted by SA [redacted])

T-51 [redacted]
(Contacted by SA [redacted])

T-52 [redacted]
(Contacted by SA WILLIAM J. McCARTHY)

T-53 [redacted]
(Contacted by SA WILLIAM J. McCARTHY)

T-54 [redacted]
(Contacted by SA WILLIAM J. McCARTHY)

T-55 [redacted]
[redacted] New York City
(Contacted by SA WILLIAM J. McCARTHY, [redacted]
[redacted]

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CONFIDENTIAL INFORMANTS, CONTINUED

T-56 [redacted]
Yonkers, New York
(Contacted by SA [redacted]
[redacted]

T-57 [redacted]

T-58 Confidential source known to the Washington Field Office, as set out in the report of SA [redacted] New York City, 11/17/48, in case entitled [redacted] LOYALTY OF GOVERNMENT EMPLOYEES.

T-59 Washington Field Confidential Informant [redacted]

T-60 (U) [Washington Field [redacted]] (X)

T-61 (U) [Washington Field [redacted]] (X)

T-62 (U) [Washington Field [redacted]] (X)

T-63 Anonymous

T-64 Washington Field [redacted]

T-65 (U) [redacted] (X)

REFERENCE: Report of SA [redacted] 12/4/42, New York City
Bulet to New York, 5/11/50.

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Date of Removal 3-19-58

Report
Letter
Enclosure Orig. submitted by [redacted]

Dated 7-6-50 has been removed for [redacted]

to be sent to Photo - USIA

Subject Foreign Policy Aspects

Synopsis

This is to be removed from file upon the return of the item and forwarded to the Coordinator of Mail and Files

Removed by IRS

Date Request Received 3-17-58

File Number 61-7802-37

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Confidential Informant T-5 reported on July 17, 1942 that the FPA received a contribution of $5,000.00 from the AMTORG TRADING CORPORATION during the fiscal year ending June 30, 1937. It is to be noted that Confidential Informant T-27, of known reliability, has advised that the AMTORG TRADING CORPORATION was the sole Russian purchasing agency in the U. S.

Confidential Informant T-5 advised on July 17, 1942 that in February 1942 the FPA undertook to distribute pamphlets describing life in several allied countries, which pamphlets were to be distributed to the members of the Armed Forces of the U. S. Among these pamphlets, there was an article entitled "Russia at War", written by VERA MICHELES DEAN of the FPA and according to the informant, this article treated Communism with so much sympathy that it was prohibited by the military authorities, who described the article as "candy-coated Communist propaganda".

The records of the Bureau of Special Services and Investigations of the New York City Police Department, 400 Broome Street, New York City, as checked on May 22, 1950 by SA [redacted], reflected that the FPA participated in the eighth anniversary educational conference, Local 555 of the Teachers Union of the UPW, which conference was held at the Hotel Commodore, New York City, April 29, 1944. According to the informant, the FPA distributed literature at this conference.

It is to be noted that the UPW, according to "The CIO News", February 20, 1950, was expelled from the CIO because it was a "Communist dominated" union.

Confidential Informant T-28, of known reliability, has advised that on April 9, 1945, the New York State Communist Political Association made out a check in the amount of $2.40, the payee being "Foreign Policy Association (Pamphlets)".

Confidential Informant T-29, of known reliability, reported in May, 1945 that KATE L. MITCHELL, 127 East 54th Street, New York City, receives the "Foreign Policy Reports", published by the FPA. Concerning KATE L. MITCHELL, it is to be noted that on June 6, 1945, she was arrested by FBI agents in the office of "AMERASIA", 225 Fifth Avenue, New York City, charged with conspiracy to violate Subsections C and D of Section 31, Title 50, United States Code and violation of Section 88, Title 18, United States Code. These

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charges against KATE MITCHELL were later dropped.

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On December 30, 1946, Confidential Informant T-9 advised that the Soviet Embassy, Washington, D. C., subscribed to the publications of the FPA.

"The NEW LEADER", March 29, 1947, page 14, reflected an open letter to the FPA, written by ALFRED KOHLBERG, Chairman of the Exectuive Committee of the American China Policy Association. In this letter KOHLBERG indicated that the Executive Committee of his organization had instructed him to call the attention of the FPA to the method of its handling of the China situation. KOHLBERG pointed out that the FPA experts on China during the preceding seven or eight years had been T. A. BISSON and L. K. ROSINGER, both of whom the American China Policy Association, according to KOHLBERG, considered to be pro-Communist in sympathy and neither were considered to be competent to objectively view the China situation.

Concerning T. A. BISSON, it is to be noted that LOUIS BUDENZ, Assistant Professor at Fordham University and a Communist Party functionary until October, 1945, advised SA WILLIAM J. MC CARTHY, JR., in April, 1950, that while he had never met BISSON, he knew him to be a Communist based on official reports made to him by Communist Party officials.

Concerning L. K. ROSINGER, it is to be noted that LOUIS BUDENZ, in April, 1950, advised SA WILLIAM J. McCARTHY, JR., that while he had never met ROSINGER, he knew him to be a Communist from official reports he had received from officials of the Communist Party.

"The NEW LEADER", April 19, 1947, page 4, reflected an article captioned "REORGANIZATION OF FOREIGN POLICY ASSOCIATION", written by FRED PORTER. This article stated that the FPA had appointed Dr. BROOKS EMENY, head of the Cleveland Council on World Affairs, to the post of President of the FPA and has thus ended a "critical" period during which it was under the policy-making control of VERA MICHELES DEAN, Research Director of the FPA. According to the article, DEAN'S writings have frequently been accused of pro-Soviet bias. The article went on to say that Mrs. DEAN had consolidated her position in the FPA after the resignation in May, 1946 of Major General FRANK ROSS McCOY from the presidency of the FPA. The article claimed that McCOY'S resignation was followed by a replacement

The "STANDARD-TIMES" newspaper of New Bedford, Massachusetts, April 27, 1948, reflected an article captioned "Fight in FPA Hits New Peak", written by JULIUS EPSTEIN. The article stated that the "long fought battle" against Mrs. VERA MICHELES DEAN had reached a new peak with the resignation of ALFRED KOHLBERG from his twenty year old membership in the FPA. The article set out a letter written by KOHLBERG, dated April 5, 1948, which letter was written to the FPA in connection with his resignation therefrom. In his letter KOHLBERG accused the research staff of the FPA of Communist Party line "pontifications", particularly Mrs. DEAN and T. A. BISSON and L. K. ROSINGER, who have been previously described above. KOHLBERG in his letter was critical of articles written by Mrs. DEAN and mentioned specifically her apology for the Russo-Nazi alliance and her accusation of equal American culpability. The article written by EPSTEIN pointed out that it is interesting to note that L. K. ROSINGER had been dismissed a few days previous, which might be construed as the first concession to the many critical voices being raised against Mrs. DEAN and her group.

On July 28, 1948, Confidential Informant T-5 advised that in the fall of 1947, when BROOKS EMENY was appointed President of the FPA, there was some speculation as to whether he would fall under the influence of VERA MICHELES DEAN, but that it had since been seen that EMENY was well aware of the political convictions of Mrs. DEAN and had commenced a strong campaign to have her replaced. The informant also stated that WILLIAM W. LANCASTER, Chairman of the Board of Directors, was not pro-Communist but apparently had been taken in by Mrs. DEAN and had been a staunch supporter of her. Informant stated that other "left-wing" elements in the FPA included BLAIR BOLLES, Director of the Washington Bureau and OLIVE HOLMES of the Research Department.

On September 15, 1948, Confidential Informant T-5 advised that recently an article had been submitted to the FPA which referred to the Soviet Union as a "totalitarian regime", which Mrs. VERA MICHELES DEAN had changed to read "a political dictatorship". The informant claimed that this was typical of the "smooth manner" in which she always whitewashed unfavorable references to the Soviet Union.

On December 5, 1948, Confidential Informant T-30, of known reliability, advised that on that day a "Hands Off China Rally" was held at the City Center Casino in New York City, and according to the informant copies of

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of the "Foreign Policy Reports", published by the FPA were on display at the literature table. The informant stated that the above indicated rally was given under the auspices of the Committee for a Democratic Far Eastern Policy, which organization has been designated by the Attorney General as coming within the purview of Executive Order 9835.

Confidential Informant T-31, of unknown reliability, advised in 1949 that the office workers of the FPA were members of Local 18 of the UOPWA, which this informant described as being very "red". It is to be noted that "The CIO News" of February 20, 1950, page 6, column 1, reported that the CIO Executive Board had voted to expel the UOPWA from the CIO, effective March 1, 1950 for "consistent, unwavering support of the policies of the Communist Party".

On October 7, 1949, Confidential Informant T-4 reported that although the FPA might be considered infiltrated to a very limited degree, it was considered to be anti-Soviet and anti-Communist. The informant stated that the articles and publications of the FPA presented an impartial and intelligent approach to matters concerning American foreign policy. However, its Research Director, VERA MICHELES DODD, had written many books about the Soviet Union and has been termed an apologist for the Soviet Union.

Confidential Informant T-32, of known reliability, reported that on August 19, 1949, THOMAS L. POWER of the FPA contacted OWEN LATTIMORE and requested his appearance on a program of the FPA, scheduled for November 1, 1949. LATTIMORE was to speak on the subject "What Should Be Our Policy in Asia". The informant also advised that VERA MICHELES DEAN and THOMAS L. POWER felt that LATTIMORE should be one of the speakers at the above indicated function.

Concerning OWEN LATTIMORE, it is to be noted that LOUIS BUDENZ, former Communist Party functionary until October, 1945, advised SA WILLIAM J. McCARTHY, JR., in March, 1950 that although he never met LATTIMORE, he heard of him many times at political meetings of the Communist Party, USA and that he had been told by Communist Party functionaries to treat LATTIMORE as a Communist.

Confidential Informant T-33, of known reliability, advised on December 9, 1949 that on November 2, 1949, FREDERICK VANDERBILT FIELD made out a check in the amount of $10.00, payable to the FPA. Concerning

ADMINISTRATIVE PAGE, CONTD

1949 SA GEORGE H. VALENTINE interviewed OLIVE HOLMES in connection with a loyalty investigation of WINIFRED MARIE HADSEL, who had formerly been an employee of the FPA. During the course of the interview, HOLMES mentioned to SA VALENTINE that she, herself, was a member of Local 18 of the UOPWA, which she categorized as being "very red".

Further, concerning FRED W. RIGGS, a Research Associate, it is to be noted that Confidential Informant T-65, of known reliability, furnished a booklet of the World Youth Festival, held in Prague, Czechoslovakia in August, 1947. This booklet set out a list of the names of Americans who had attended the festival and also set out a list of sponsors of the festival. Included among the names listed as the sponsors was the name of FRED W. RIGGS. It is not known whether this individual is identical with the RIGGS employed by the FPA.

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Detroit
Houston
Indiannapolis
Los Angeles
Milwaukee
New Haven
New Orleans
OklahomaCity
Omaha
Philadelphia
Pittsburgh
[redacted]
St. Louis
St. Paul
San Antonio
Washington Field