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economic desires prevalent in South Asia can be formulated in terms of individual needs and projects arranged in accordance with practically conceived plans. Assistance in this task is being provided by various working parties of the Economic Commission for Asia and the Far East, of which the U.S. is a member. Until this and related work is completed, there are inadequate bases for determining the magnitude of the economic and financial requirements of the area.

In the case of India, in addition to the primary need for capital goods, the most serious problem impinging directly upon economic relations with the U.S. is the deficit which the Indian economy is experiencing in its transactions with the dollar area. Although historically India has exported more to the U.S. than it has imported from the U.S., the post-war demand for consumer and capital goods has reversed the pre-war trade pattern to the point where India suffered an adverse balance of payments with the U.S. in 1947 amounting to approximately \$200,000,000. India has attempted to meet this problem by restricting imports, by drawing on the central dollar reserves of the sterling area, and by drawing against its International Monetary Fund quota of \$400,000,000. Of these practices a severely restricted import policy is counter to our concept of expanding multilateral trade, and substantial drawings on the central dollar reserves of the area are opposed to our desire to maintain the financial stability of the U.K.

In Pakistan, as in India, dollar requirements are met out of earnings plus drafts on the sterling dollar pool. In its trade with the U.S., Pakistan is presently earning a small dollar surplus; but this is due to import restrictions on all non-essential goods, and this surplus would soon turn into a serious deficit should Pakistan purchase more of the capital goods so badly needed for essential developments. As in the case of India, the practice of restricting imports and substantial draw-

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ing on the sterling dollar pool is contrary to our concept of expanding multilateral trade and maintaining the financial stability of the U.K. Pakistan's requirements differ from India's in that Pakistan is primarily agrarian and its basic industry has yet to be established. Pakistan's need for capital goods, therefore, is proportionately greater. This, plus its military requirements, and the urgent desire to place their new country on a firm over-all financial footing was the basis of the Pakistan Government's request in late 1947 for a U.S. Government loan of some \$2,000,000,000. Pakistan's economic position, being unbalanced as between industry and agriculture, also more clearly emphasizes the need for inter-regional cooperation and especially for Indo-Pakistan economic cooperation.

In Afghanistan, also, there is the problem of financing the essential imports of consumer goods and military stores while proceeding with development plans. Afghan consumer goods are normally imported largely from India and Pakistan, where they are now being procured and balances settled through the sale of dollars because poor transport and marketing facilities have recently impeded the sale of Afghan products and the accumulation of adequate rupee exchange. Present development plans call for an increase of agricultural output, establishment of light industries, development of natural resources, and improvement of communications and transport; and several of these projects have been undertaken by an American firm which requires dollar payments. Nearly 95% of Afghanistan's dollar earnings is derived from the sale of karakul furs in the U.S., and this fluctuates with the fur market. In 1946 they received from this source \$34,000,000; in 1947 less than \$2,000,000; and in the first half of 1948 about \$29,000,000. Their main economic requirements, therefore, are for better inter-regional economic cooperation, to provide the rupee exchange necessary to obtain consumer goods in India and Pakistan with local currencies; and

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for some U.S. financial assistance to insure completion of their development projects. It is mainly for this latter purpose that the Afghan Government has approached us to determine the prospects of a U.S. loan.

Since Burma has become so embroiled in civil strife resulting from the armed revolt of its Communist parties, the trend in that country has been more toward economic disintegration and requests for military supplies, than for the means of economic rehabilitation and development. Pending the outcome of this conflict, therefore, an appraisal of Burma's economic and financial requirements, and of our interest in furnishing them, cannot well be estimated. As a member of the sterling area Burma now obtains most of its dollars from the central reserves of the U.K. Since Burma is normally the largest world exporter of rice, and may again become an important world source of tungsten, tin, lead and zinc - all of which are now in short supply - this drain on U.K. dollars might be stopped if the U.S. were to supply dollars for the purchase of these materials by some suitable procurement method.

Nepal has announced its intention to develop local industries and agriculture, and is negotiating with American firms for an economic survey of the country as the first step toward such development. Nepal's principal economic requirement is for the dollar exchange needed to carry out this program. Currently, Nepal is dependent on India for such limited dollar exchange as it obtains; and Nepal now wishes to enter into an arrangement whereby all foreign exchange arising out of the export of Nepalese products through India would accrue to Nepal.

Ceylon's present dollar position is comparatively good, and this country has requested several types of U.S. technical assistance.

In accordance with our general policies of promoting an expanded multilateral world trade, of recognizing the world-wide

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need for accelerated economic development, and of upholding the principles of international cooperation, this Government desires, within the limits of its resources, to assist the countries of South Asia to raise their standards of living and to increase their productive capacities. This desire is consonant with one of the principal elements of our objectives in this area: to maintain the orientation of these countries towards the U.S. and western democracies and away from the USSR. It is likewise consistent with our interest in obtaining, within the next few years, maximum supplies of strategic materials from South Asia and it reflects the belief that capital exports to these countries can in some measure prove to be a stabilizing influence on the level of U.S. production and employment by increasing or retaining foreign markets for U.S. goods.

As yet we have not included the South Asian countries in that limited group to whose needs we are giving specially favorable consideration, because the development needs of all areas now carry a lower priority for short supplies than do reconstruction and rehabilitation areas. Until now we have held that private investment should be the principal means of U.S. financial assistance to these countries for the further development of their economy. We have held that, when private capital is not available, we should lend support to their applications for loans from the International Bank or the Export-Import Bank for individual development projects, but that our interests in South Asia, in view of our broader commitments in other theaters, do not warrant special treatment with respect to the supply of capital goods or direct U.S. Government credits which require Congressional approval.

It is present U.S. policy to permit the export of goods subject to official quotas (none of which represents an obligation on suppliers) in the largest possible quantities consistent with the effective functioning of our domestic economy. The

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Secretary General of the Economic Commission for Asia and the Far East will be informed of this policy, in answer to the recent appeal by a majority of the Commission to make available to Asian countries "an adequate share" of our production of capital goods and basic materials. Furthermore, an increased world production of essential commodities (including capital goods) is expected to result from the rehabilitation and recovery of Europe and certain Far Eastern countries, to which the U.S. is now contributing an unprecedented volume of financial assistance, and such an increase will materially help to establish the basis in South Asia for economic progress. This progress, in turn, may result in improved conditions that will provide foundations for stable democratic governments, friendly to the U.S.

Meanwhile, as U.S. resources are limited, it is urgent that we reappraise the existing financial and other means at our disposal and explore the possibilities of utilizing additional methods of economic assistance to the area, in order to determine the extent and character of the aid which is consonant with our own interests.

5. Present Military Requirements of South Asia.

Out of a total population of more than 440,000,000 the total strength of the ground forces of all the South Asian countries has recently stood only at about 526,000 regular troops, plus various small irregular security forces. By countries these forces are distributed approximately as follows:

	<u>Population</u>	<u>Ground Forces</u>
Afghanistan	11,000,000	72,000
Pakistan	75,000,000	141,000
India	317,690,000	241,000
Burma	15,000,000	23,000
Nepal	5,600,000	45,000
Ceylon	6,500,000	4,000

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Due to the political unrest which now pervades the area and to the presence of militant forces within the area (Afghan tribal forces, Indian States forces, Gurkha warrior castes, etc.), which are not yet fully welded to the merging national authorities, these military forces of the South Asian countries are barely sufficient to meet the existing demands for internal policing and maintenance of security. Yet the present trend, due to lack of replacement equipment, spare parts, etc., is toward a decrease of either the efficiency or strength of these forces. None of these countries is yet able to fully supply its own armies with equipment of its own manufacture. All are presently supplied with material formerly obtained from British and U.S. sources. To maintain their existing strengths, as their stores become exhausted through normal attrition, the South Asian countries are now turning mainly to the U.S. as the natural source of supply. The requests so far received by us are as follows:

a. Afghanistan

For all practical purposes Afghanistan is almost totally dependent on foreign sources for its military requirements. Up to now the Afghan Army has obtained from the U.S. only surplus hospital and non-combatant equipment, through the purchase for cash of U.S. surplus property in India in 1945. In June of 1946 the Afghans approached the U.S. for other military supplies. A further approach was made in 1947, at which time we were told in no uncertain terms by the Afghan Prime Minister that unless his government could be given some assurance of at least token assistance from the U.S., which would indicate that we had an interest in Afghanistan, they would be forced against their will to turn to the USSR. In April 1948 they informally requested a U.S. loan of \$100,000,000 to finance a 12-year economic development program and to provide for

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their military requirements, and although this figure has since been reduced the request is still pending. As to their military requirements alone, they informed our Embassy in Kabul on July 29, 1948 that for internal security they were presently in need of approximately 24 to 36 light tanks, 120 4.2 inch mortars, 40 AT-6 type aircraft, and materiel to equip one motorized division of 4,000 to 6,000 men. Since none of these Afghan requirements has yet been presented to us as formal requests, no positive action has been taken on these approaches.

b. India

At present India is able to produce large quantities of small arms and ammunition, uniforms and leather equipment, but is largely dependent on foreign sources for planes, tanks, ships, heavy ordnance, etc. Of these latter categories the Indian Army is partly equipped with U.S. lend-lease and surplus property material. During 1948 the Indian Military Attache, Col. Kaul, approached the Departments of State and Army to obtain medium bombers and other military equipment for the Indian armed forces. He wished to order 12 B-25 Mitchell bombers for delivery in May 1948 and 31 additional B-25's for subsequent delivery. He also informally indicated the interest of the Government of India in long-term military collaboration between India and the U.S.

At the time of Col. Kaul's approach the Department of State was in the final stage of reaching its determination, subsequently approved by the President, that in view of the threat of war between India and Pakistan over Kashmir it was not consonant with the foreign policy of the U.S., while this issue was under review by the UN, to authorize the sale or transfer of combat material to either India or Pakistan pending a clarification of the situation. At the same time the Department of State was advised by the Department of the Air Force that no medium bombers of the

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type desired by India were then available as surplus to the needs of the U.S. military establishment. It was accordingly decided to discourage Col. Kaul from making further requests of this nature.

On April 2 the Deputy Foreign Minister of India, Sir Girja Bajpai, called at the Department of State and stated that, with the full knowledge and authority of Prime Minister Nehru, he would like to propose the sending of an Indian military mission to the U.S. at an early date to explore the possibilities of obtaining military equipment in this country. In making this request he gave assurances that the principles for which the U.S. and India both stand are identical and that India would under no circumstances align itself with the Soviet Union in a war between that country and the U.S. Sir Girja was informed that the proposal would be considered; but he was reminded that, not only because of the present U.S. arms policy with respect to India and Pakistan but also because of our own present arms requirements, it might not be feasible to do very much for India.

Recently members of the Indian Embassy, including the Indian Military Attache, have informally approached the State Department to express a desire for a greater exchange of military information between the two countries. This problem has been partly met by: (1) Having India classified upwards to the category of countries receiving "restricted" U.S. military information; (2) Making a deliberate effort to furnish the Indian Military Attache here with relatively harmless but somewhat impressive military information; and (3) urging the U.S. Army to continue Indian officer students in U.S. Army Service Schools.

On June 7, 1948, Mr. Chopra, First Secretary, Embassy of India, requested informally the probable reaction of the

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U.S. Government to a formal request from India to import arms and ammunition from the U.S. to be used exclusively in the Indian military training program. He stated that the Government of India would be prepared to give formal assurance that the arms and ammunition imported would in fact be used for training and would under no circumstance be employed in Kashmir. The items requested included:

75 mm. how.	209,000 rounds	
75 mm. gun.	100,000	"
75 mm. gun, smoke.	46,000	"
37 mm. HE.	150,000	"
37 mm. Canister.	32,000	"
30 cal. Browning (mixed belts)	12,000,000	"
Grenade, rifle, practice.	17,000	"

The Department of the Army has determined that these quantities are completely reasonable and that they represent on a per capita basis approximately 75% of the amounts normally required by U.S. troops for training purposes. In reply to this request representatives of the Indian Embassy were informed on July 29 that the supply of this ammunition from U.S. sources could not be approved because it would be in violation of the U.S. policy not to supply war material to either India or Pakistan until the situation in Kashmir had clarified.

On July 30, 1948 the Indian representatives inquired whether the U.S. included spare parts for out-dated Stewart tanks among those items which were excluded for export from the U.S. to India. In reply they were informed on August 17 that these items were no longer available. During the discussion which followed the Indians stated that while the Government of India now understood the U.S. position with regard to such temporary situations as the Kashmir

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problem, it was also faced with long-range as well as short-range military planning, and the time was coming when India, in order to evolve its long-range planning, would have to know "where it stood" with the U.S. Government in the over-all evaluation of what international contribution might be made by India in the event of further deterioration in international relations in general.

c. Pakistan

The new Government of Pakistan, which came into being with no munitions industry and only a modicum of equipment from Indian stores, approached the Department of State in October-November 1947 with the request for U.S. financial aid over the next 5-year period to include, inter alia, the following defense items:

Army - \$170,000,000. To provide for a regular army of 100,000 to consist of one armored division, five infantry divisions partly motorized, and a small cavalry establishment; and to provide for replacement and remodeling of existing arms and equipment, supplies and ammunition, equipment for ordnance factories, raw materials and payment of personnel.

Air Force - \$75,000,000. To provide for twelve fighter squadrons (150 planes), four fighter reconnaissance squadrons (70 planes), three bomber squadrons (50 planes), four transport squadrons (50 planes), four training wings (200 planes), together with necessary replacements, ground facilities, and payment of personnel.

Navy - \$60,000,000. To provide for four light cruisers, sixteen destroyers, four corvettes, twelve coast guard gunboats, three submarines, 120,000 tons miscellaneous facilities with necessary ammunition, base equipment, etc.

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It was obvious from this approach that Pakistan was thinking in terms of the U.S. as a primary source of military strength, and that this would involve virtual U.S. military responsibility for the new dominion. Since no legal authority existed for granting U.S. financial aid to Pakistan for this purpose, and since the time was not considered opportune for seeking such authority, our reply to this Pakistan request was negative. The military items contained in this request were not considered because it was not yet clear what role the British were to fulfill in the military affairs of the new Dominions, nor what U.S. military policy toward South Asia would eventually be. Of the other requests received at that time for financial aid, however, a WAA credit of \$10,000,000 was granted Pakistan for medicine and other material for refugee relief.

Since that time we have received requests from the Pakistan Embassy for 30 AT-6 training planes, spare parts for AT-6 planes already possessed by the Pakistan Air Force, and for information regarding sources in this country where the Government of Pakistan might obtain maintenance spares for Stewart tanks, Sherman tanks, and tracked carriers which are now possessed by the Pakistan Army. After considerable deliberation, it was finally determined that, provided suitable guarantees were given, the sale of training planes and parts of the type requested was not incompatible with the informal embargo mentioned above in connection with India, and accordingly the Department of State has approved export licenses for these items. Action on the inquiry for maintenance spares for tanks and tracked carriers is pending.

In May 1948 the British Government requested that the U.S. approve the transfer, from British Lend-Lease stores to the Government of Pakistan, of 5,198,000 rounds of .30 caliber and 1,091,000 rounds of .50 caliber ammunition.

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This request was refused because it was considered that such a transfer would violate the informal arms embargo mentioned above.

d. Burma

Burma has no munitions industry, and the Burmese Government recently found itself lacking adequate supplies of automatic weapons, small arms, ammunition, communications equipment, and aircraft for its campaign against insurgent Communists. In his telegram No. 130 of April 3, 1948, Ambassador Huddle informed the Department of State that the Burmese Foreign Minister had requested U.S. assistance to the extent of providing six fighter bombers, 400 field wireless sets, 1,000 Thompson sub-machine guns or Sten guns, and 30 armored cars. The Ambassador suggested that the Foreign Minister try to obtain these supplies through the British Defense Mission before calling upon the U.S. for aid. The Foreign Minister followed this advice and was successful in obtaining some of this equipment, at which time, also, we consented to the British request to re-transfer to Burma 12,000 rounds of .50 caliber Lend-Lease ammunition. Since then, however, our Military Attache in Burma reports that on August 18, 1948, our Embassy in Rangoon was again informally approached by the Burmese with the request that the U.S. supply the Government of Burma immediately 10,000 carbines, 1,000 sub-machine guns, 1,000 Bren guns or equivalent, 1,000 light machine guns, and 300 heavy machine guns. The British were also being asked at that time to supply additional arms and equipment. On September 4, 1948, in an official note to our Embassy in Rangoon, the Government of Burma requested to buy from the U.S. 5,000 carbines with 2,250,000 rounds of ammunition and 150 jeeps, stating that of their long list of essential needs these items were available only from the U.S. and that most of

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the other items were being supplied by the British. The British Ambassador supported this request.

e. Nepal and Ceylon.

There have been no requests by either Nepal or Ceylon for military assistance from the U.S.

6. Inability of the British to Meet Military Requirements

Bearing in mind the commitments which the U.S. has made elsewhere, it would appear to be in our national interest that the British continue to bear the major responsibilities for meeting the military requirements of the South Asian countries. It is doubtful, however, whether Great Britain can do this. Uncertainties prevail with respect to the political relations between Great Britain and her former dependencies which may seriously limit the extent to which military cooperation between them could take place. We gravely doubt whether the British alone possess sufficient economic and military resources for this task. In view of the actual requests which have come to us in recent months from the South Asian countries for military assistance and guidance, therefore, it is necessary in our own self-interest now to determine what part of this responsibility should be borne by the U.S. when the informal embargo now in effect against India and Pakistan is eventually lifted.

7. Necessity for Regional Approach by U.S.

We may defeat our own purpose if by extending military assistance to any one country in this area we alienate the friendship of one or more of the other South Asian powers. Certain of these countries, particularly India and Pakistan, do not yet enjoy good relations with one another. If U.S. military assistance is made available to one the others will increase their pressure for comparable aid. In considering any program of military assistance to the area, therefore, a regional ap-

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proach is necessary, keeping in mind, of course, that internal conditions in individual countries must always be taken into account.

On the other hand, India is the natural political and economic center of South Asia and aid given to the peripheral countries would have to be adapted to conditions in India.

8. Desirability of Regional Cooperation.

Even if U.S. aid is extended to the South Asian countries on a regional basis there remains the possibility, due to continuing internal and inter-regional conflicts, that the combined power potential of South Asia may never develop in the foreseeable future if the individual countries are left to their own devices. U.S. military assistance to these countries may not contribute to our own national interest unless it contributes to the improvement of their internal stability and better relations with each other. Due to the momentum of movements which are already set in motion in South Asia, a period of internal and inter-regional conflict is perhaps inevitable. Whether this will eventually lead to greater regional solidarity or greater chaos remains to be seen. The possibility of it leading to greater chaos must now be accepted as a calculated risk. To minimize this risk and thereby promote our own objectives, any plan for U.S. assistance should be used as far as practicable as an instrument to effect cooperation and solidarity within the region.

9. Importance of Recognizing Continuing Need for Military Replacements.

SANACC 360/5 (approved on July 26, 1948) points out that U.S. foreign policy may be seriously impaired in some of its principal objectives if the result of U.S. military assistance should be the alienation of the recipient countries through the breakdown of that assistance. This could come about by not considering the future need for replacement and spare parts. After a foreign country receives U.S. munitions

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applies them to equip units, and employs these units in operations or training, there comes a time when spare parts which originally came with the equipment are in the hands of troops or exhausted. At this point there arises a stringent and legitimate demand for replacements and extra spare parts which usually are to be had only from the U.S. If in response to this demand the U.S. offers nothing but sympathy, the foreign government will be forced either to reduce its military establishment, attempt local manufacture, or turn to some other country for help. Any one of these alternatives would inevitably create ill will toward the U.S.; while the latter, if the only choice is to turn to the Soviet countries, would defeat one of the most cherished long-range aims of the U.S. by defeating the concept of tacit military alliances, and military standardization, between these foreign countries and the non-Soviet powers.

We now face this situation with respect to India and Pakistan. As a result of Lend-Lease and surplus property transfers the armies of these countries were partly equipped with U.S. materiel. The point of exhaustion of that materiel is now approaching, and India and Pakistan are turning to the U.S. for replacements and extra spare parts. Due to the dangerous political unrest in South Asia their requirements for internal and regional security are too great to permit a reduction of the military establishments at this time--nor would it be in our interests that they do so. They are not in a position fully to supply themselves by local manufacture. Unless they receive replacement equipment from us, therefore, their only alternative will be to turn to some other country for help, and recent reports (Praha A-610, August 2, 1948) indicate that they are now considering accepting the offer of this help from Soviet-dominated Czechoslovakia.

10. Financial Considerations.

It would oppose a fundamental objective of U.S. policy

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if the financial burden for U.S. munitions was so great on the recipient countries as to retard the progressive development of the resources and economic potential of South Asia (SANACC 360/5). When a foreign nation now attempts to secure replacements of U.S. materials it usually receives a psychological shock occasioned by the present high cost as compared with the original cost of the same materials under Lend-Lease or surplus property settlements. The tendency may be strong, therefore, to retard or sacrifice essential economic development to the needs of the military. If military assistance to the South Asian countries is as important to the national interests of the U.S. as we believe it is, and if it is determined that some of these countries cannot wholly or partly support the required program, financial support of military assistance measures for these countries through U.S. means should be given policy consideration. The extent of U.S. financial assistance should be balanced, however, to prevent any unremunerative dissipation of U.S. resources.

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COPY NO. 4030 August 1945STATE-WAR-NAVY COORDINATING COMMITTEEMEMORANDUM FOR INFORMATION NO. 23MEMBERSHIP OF STATE-WAR-NAVY COORDINATING
SUBCOMMITTEE FOR THE NEAR AND MIDDLE EASTNote by the Secretaries

Mr. George V. Allen, Deputy Director of the Office of Near Eastern and African Affairs, (S-2472) has been designated as an additional State Department member of the State-War-Navy Coordinating Subcommittee for the Near and Middle East.

CHARLES W. McCARTHY

ALVIN F. RICHARDSON

RAYMOND E. COX

Secretariat

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COPY NO. _____

29 August 1945STATE-WAR-NAVY COORDINATING COMMITTEE

SUBJECT: APPOINTMENT OF ADDITIONAL STATE DEPARTMENT
MEMBER ON SWNCC SUBCOMMITTEE FOR THE NEAR
AND MIDDLE EAST.

Mr. George V. Allen, ^(S-2403) Deputy Director of the Office of Near
Eastern and African Affairs, ^(S-2403) has been designated as an additional
State Department member of the State-War-Navy Coordinating Sub-
committee for the Near and Middle East.

Loy W. Henderson
LOY W. HENDERSON
Chairman

Secretariat

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1st Ind.

27 August 1945

State-War-Navy Coordinating Committee, Room 178, State Building, Washington 25, D. C.

To: Brigadier General Rueben C. Hood, Jr., Deputy Chief of Air Staff, Room 3E-1027, Pentagon Building.

1. With reference to request contained in basic communication, there is attached hereto memorandum from the Assistant Deputy Chief of Staff designating Lt. Colonel Maurice E. Parker as the additional War Department member of the State-War-Navy Coordinating Subcommittee for the Near and Middle East.

2. It is requested that if it is desired that Lt. Colonel F. E. Schroeck replace Lt. Colonel Parker on this Committee that the Assistant Deputy Chief of Staff be advised so that adjustment may be made.

X-71189

CHARLES W. McCARTHY
Colonel, GSC
Secretary

Enc.
Cy ltr fm Ass't
Dep C of S. 8/23/45

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26 AUG 1945

MEMORANDUM FOR: Colonel Charles W. McCarthy
Room 178 State Department Building
Washington 25, D. C.

SUBJECT: Subcommittee of State-War-Navy Coordinating Committee
for the Near and Middle East.

1. It is deemed necessary by Army Air Forces to assign an officer to the subject subcommittee to consider the problems which are arising in connection with the control of the Near and Middle East areas.
2. It is requested, in this connection, that you submit to Mr. McCloy for his approval the name of Lt. Colonel F. E. Schroeck, O-22441.
3. Lt. Colonel Schroeck is at present assigned to the Strategy Branch, Strategy and Policy Division, AC/AS-5.

For the Commanding General, Army Air Forces:

Signed

REUBEN C. HOOD, JR.
Brigadier General, U. S. Army,
Deputy Chief of Air Staff.

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O.P.D., G.S.

WAR DEPARTMENT
OFFICE OF THE CHIEF OF STAFF
WASHINGTON

AUG 23 1945

MEMORANDUM FOR THE SECRETARY,
STATE-WAR-NAVY COORDINATING COMMITTEE:

SUBJECT: Additional War Department Membership on
State-War-Navy Coordinating Subcommittee
for the Near and Middle East.

Lt Col MAURICE E. PARKER, O-23166, has been
designated as additional War Department member on
State-War-Navy Coordinating Subcommittee for the
Near and Middle East.

SWNCC	
COL McCARTHY	.....
COMDR. RICHARDSON	.....
MR. R. E. COX	.....
LT. COL PENNOYER	.....
LT. COMDR. NEILFUSS	.....
MR. H. W. MCGELEY	.....
MR. J. P. GARDINER	.....
LT. COMDR. ROCKEFELLER	.....
LT. COL. V. F. FIELD	.....
MAJOR W. E. GUNTHER	.....
1ST LT. E. SPITTALL	.....
ENS. F. WHITESIDE	.....
FILE	.....

H. I. Hodes
H. I. HODES
Brigadier General, GSC
Assistant Deputy Chief of Staff



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DEPARTMENT OF THE NAVY
OFFICE OF THE UNDER SECRETARY
WASHINGTON

August 14, 1945

MEMORANDUM FOR: The Secretariat
State-War-Navy Coordinating Committee

I have designated Rear Admiral Clark H. Woodward and Mr. Carl McGowan, Special Assistant to the Assistant Secretary of the Navy for Air, as the Navy members of the SWNCC Middle Eastern Subcommittee to be set up under SWNCC 165.

A. L. Gates

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O.P.D., G.S./

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SWNCC Subcommittee for the Near and Middle East.
(Assignment of Colonel Voris Connor)

OPD 334.8 SWNCC (2 Aug 45)

TAG
ATTN: Maj Siler

OPD, WDGS

7 Aug 45
Lt Col Heneycutt/2124/hn

1

THE CHIEF OF STAFF DIRECTS:

That necessary orders be issued assigning Colonel Voris H. Connor, O-15405 to temporary duty as a War Department member of the State-War-Navy Coordinating Committee Subcommittee for the Near and Middle East in addition to his other duties pending his assignment to an overseas station as a member of the United States Military Mission to Saudi Arabia. (Reference is AG letter order, AGPO-A 210.31 (9 Mar 45) dated 10 Mar 45).

FOR THE ASSISTANT CHIEF OF STAFF, OPD:

K. W. TREACY
Colonel, General Staff
Executive, OPD.

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Copy for Secretariat
State-War-Navy Coordinating
Committee

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P&O 334 SWNCC (5 Aug 47)

5 August 1947

MEMORANDUM FOR THE SECRETARIAT, STATE-WAR-NAVY COORDINATING COMMITTEE:

SUBJECT: Change in Membership of SWNCC Subcommittee

1. Request that Lieutenant Colonel Edwin S. Hartshorn, Jr., O-18716, GSC (W-2971) be designated as member of the SWNCC Subcommittee on the Near and Middle East, vice Lieutenant Colonel T. W. Parker relieved, effective this date.

2. Recommend that Lieutenant Colonel T. W. Parker, be relieved as member of SWNCC Subcommittee on the Far East without replacement in view of the fact that two other members from the Plans and Operations Division, WDGS, viz, Colonel C. B. Westover and Lieutenant Colonel C. H. Bonesteel, III, are serving on the Subcommittee.

DUG - 7 1947



ALLAN G. PIXTON
Lt. Colonel, GSC
Asst Executive to the
Assistant Secretary of War

COPY TO ACCOMPANY ORIGINAL

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CONFIDENTIAL

16th Meeting

STATE-WAR-NAVY COORDINATING SUBCOMMITTEE
FOR THE NEAR AND MIDDLE EAST

Minutes of Meeting Held on 3 July 1947

MEMBERS PRESENT

Mr. Henry S. Villard, State Dept.
Colonel T. W. Parker, War Dept.
Captain G. A. Sinclair, Navy Dept.

OTHERS PRESENT

Mr. Richard S. Leach, State Dept.
Colonel Fox, State Dept.
Mrs. Gray, State Dept.

1. The Subcommittee incorporated CIG changes in the long-term study on Turkey and agreed to forward the report to the special Ad Hoc Committee.
2. The Subcommittee also agreed that their aim in these long-term country reports was to point out the objectives and not try to include too many details.
3. Colonel Parker remarked on the desirability of including in the Liberia paper a statement giving some indication of what the US might receive in return for any aid extended to Liberia. Mr. Villard suggested leaving the paper in the present form and not trying to inject this thought at this stage of progress of the SWNCC paper, SWNCC 374, now in JCS for comment. This was agreed upon.
4. The Afghanistan report was discussed at some length. The Subcommittee agreed to review this report at the next meeting on Tuesday, 8 July 1947.

V. L. LOWRANCE, Acting Secy. (20)

CONFIDENTIAL

15th Meeting

STATE-WAR-NAVY COORDINATING SUBCOMMITTEE
FOR THE NEAR AND MIDDLE EAST

Minutes of the Meeting Held in Room
6117A, New State Building, on 1 July 1947

MEMBERS PRESENT

Mr. Henry S. Villard, State Dept.
Colonel T. W. Parker, War Dept.
Captain G. A. Sinclair, Navy Dept.

OTHERS PRESENT

Mr. H. B. Minor, State Dept.

V. L. LOWRANCE,
Acting Secretary

CONFIDENTIAL

(20)

CONFIDENTIAL

1. After a short discussion, the Subcommittee approved the long-term country report on Iran and directed the Secretary to forward the report to the Special Ad Hoc Committee. *after getting CIG Comments.*

2. It was agreed to meet on Thursday to discuss the Greek assistance paper and the Afghanistan long-term country report.

V. L. LOWRANCE

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Near and Middle East Sub Committee.

Minutes of meeting held in Room 6117A, New State Building on 30 June 1947

Members Present

Mr Henry S Vallord	State Dept
Col T W Parker	War "
Comd G A Sinclair	Navy "

Others Present

Mr C. Adair	State Dept
Mr R ANDRUS	" "
MR THURSTON	" "

1. The subcommittee approved the draft report on BURMA and requested that it be forwarded to the Special Ad Hoc Committee.
2. The India paper was discussed and Mr Adair was directed to make the necessary changes to the draft paper and submit same to the subcommittee secretary.

V. L. Lawrence

(19)

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13th Meeting

STATE-WAR-NAVY COORDINATING SUBCOMMITTEE
FOR THE NEAR AND MIDDLE EAST

Minutes of Meeting Held in Room 6117A,
New State Building,
on 27 June 1947.

MEMBERS PRESENT

Mr. Henry S. Villard, State Dept.
Colonel T. W. Parker, War Dept.
Captain G. A. Sinclair, Navy Dept.

OTHERS PRESENT

Colonel C. B. Westover, War Dept.

V. L. LOWRANCE,
Captain, U.S. Navy
Acting Secretary

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CONFIDENTIAL

1. The Subcommittee discussed the control and allotment of U.S. funds by the Chief of the Greek Mission. Minor changes were made in paragraph b(5) and f(2) at the request of the War Member. War and Navy Members approved the report. The State Member reserved his approval until clearance had been obtained in the legal division of the State Department.

2. After a short discussion, the members approved the Subcommittee Report, "Letter of Instruction to the Chief of the American Mission for Aid to Turkey." Subject report is to be circulated for SWNCC consideration.

3. Minor amendments were made to the Country Report on Turkey and the report was approved and forwarded to the Special Ad Hoc Committee.

V. L. Lowrance
V. L. LOWRANCE

CONFIDENTIAL

S E C R E T

12th Meeting

SWNC SUBCOMMITTEE FOR THE NEAR AND MIDDLE EAST

Minutes of Meeting Held in Room 6117A,
New State Building,
on Tuesday, 17 June 1947.

MEMBERS PRESENT

Mr. Henry S. Villard, State Dept.
Colonel C. B. Westover, War Dept.
Captain G. A. Sinclair, USN, Navy Dept.

Others Present

Mr. J. D. Jernegan, State Dept.

V. L. LOWRANCE,
Acting Secretary

(17)

S E C R E T

1. MR. JERNEGAN presented a revised Appendix "B" for the Subcommittee Report regarding policies for execution of Greek assistance program. All members agreed to changing "your Mission" to "you" throughout the report; also to use paragraph 11 as an Annex to Appendix "B" and recommend that SWNCC note the suggested Policies and Programs outlined in the Annex; substituting paragraph 7 in Appendix "B" for the present paragraph "M" and strike out paragraph "N".

2. Informal discussion was held on a similar paper in regard to Turkey. This paper was given to the Subcommittee members for study and consideration.

S E C R E T

STANDARD FORM NO. 64

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Office Memorandum • UNITED STATES GOVERNMENT

TO : Col. Dalziell, USA (War Dept.)
Lt. Col. Metze, USMC (Navy Dept.)
✓ Mr. Gardiner, SWNCC

DATE: May 23, 1947

FROM : Mr. de la Rue, NEA

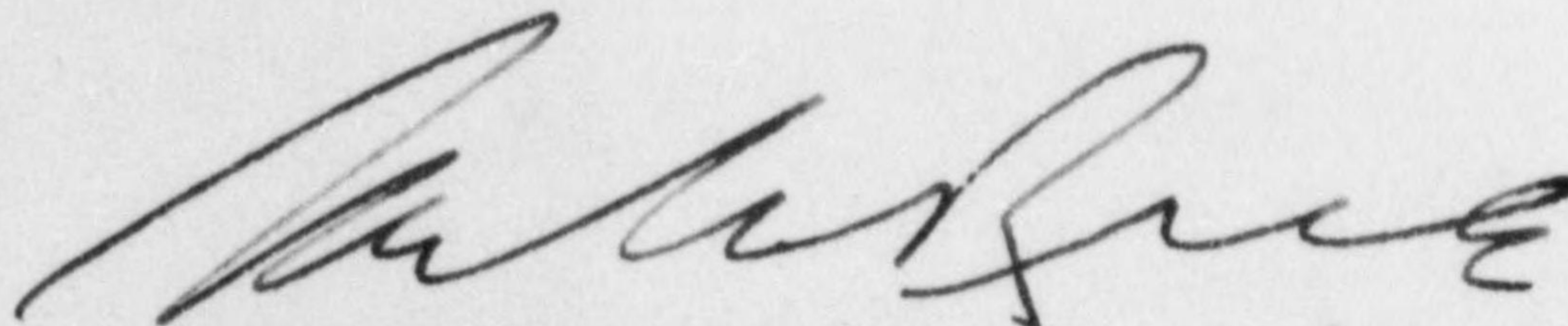
SUBJECT: Liberia: Working Committee Preliminary Draft Report to
NEA Subcommittee of SWNCC.

In accordance with the discussion and decisions of the Working Committee at their last meeting, the working paper on Liberia has been redrafted, and a copy is herewith enclosed for your consideration.

Will you be good enough to let me have your comment and suggestions.

As soon as a draft is approved by you, I propose to prepare copies and submit it as our report to the NEA Subcommittee of SWNCC.

Will you please note that my office has moved from the Old State Building to Room 7217, New State. The telephone extension has not been changed, and is 2087.



Sidney de la Rue
Chairman, Working Committee
on Liberia

Please forward to Dalziell and Metze as previously.

cc--Mr. Timberlake, AF

NEA:SdelaRue:ea

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Authority *AND-JCS Reg 3-74*
By *cr/mb* NARS, Date *OCT 26 1976*

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May 19, 1947

LIBERIA.

SWNCC 374

TITLE:

Strategic and National Interest in Liberia and Its
Relationship to Continued Assistance to That Country.

PROBLEM:

To consider the strategic, political, and economic
interests of the United States in Liberia.

FACTS BEARING ON THE PROBLEM AND DISCUSSION:

See Appendix A.

CONCLUSIONS:

1. Liberia, an independent nation, is the only territory in West and Central Africa not controlled by an European power; moreover, it is the only African country in which the United States has played the principal role and where American interests are recognized as of preponderant importance by the Government of the country.
2. An under-developed area such as Liberia constitutes an ideologic and economic vacuum which invites alien economic and political forces inimical to the interests of the United States. It has been demonstrated that independence does not solve economic problems of such areas, nor remedy their internal divisions and weaknesses. The interest of the United States in Liberia justifies the use of our weight and economic power to strengthen and stabilize the Liberian political and economic structure.
3. The Department of State should continue to maintain its Economic Mission (now estimated to cost approximately
\$325,000

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By *CS/KMS* NARS, Date OCT 26 1976

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\$325,000 annually) and to assist Liberia in the development of its natural resources, and particularly such of these as will increase the supply of products normally imported by the United States.

4. The Department of State should continue to lend assistance in the development of Liberian public education.

5. The Federal Security Administration, through the Public Health Service, should continue its present program of assistance to Liberia, now estimated to cost \$67,000 annually.

6. The Departments of State, War, Navy, and Commerce should lend appropriate assistance in the establishment of an American company, duly incorporated in the United States of America or in the Republic of Liberia, and approved by the Government of the United States of America, for the operation and maintenance of Roberts Field. An agreement should be negotiated between the Governments of the United States of America and the Republic of Liberia to establish the conditions for maintenance, operation and use of Roberts Field. This agreement should provide that the Field shall be made available upon request to the Air Forces of the United States Government under conditions similar to those incorporated in Article 7 of the Agreement between The United States of America and Liberia for the Construction of a Port and Port Works, signed December 31, 1943 (Executive Agreement Series No. 411). It is estimated that the cost of repair, maintenance, and operation of Roberts Field will require an expenditure of approximately \$200,000 - \$225,000 annually.

7. The Department of State and the Navy Department should lend appropriate assistance to assure the early completion of the "Port and Port Works and Access Roads," as provided in the
Agreement

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Agreement of December 31, 1943, between the United States of America and Liberia. It is now contemplated that the construction of the new Port at Monrovia will be sufficiently advanced to permit the opening of the Port for limited commercial operations late in 1947. Funds allocated for this project are in the sum of \$19,275,000.

8. The Department of State should lend its good offices and assistance in the organization of an American port management company as foreseen by the terms (Article 5) of the "Agreement Between The United States of America and Liberia for the Construction of a Port and Port Works and Access Roads," signed December 31, 1943.

9. The Department of State and the Maritime Commission should continue to lend appropriate assistance to the maintenance of services between the United States and Liberia by approved United States shipping lines, and for the establishment by these, as now planned, of coastwise feeder services based upon the new Free Port at Monrovia. It is contemplated that this will assure for American shipping a base on the West Coast of Africa free of European control.

10. The Department of State should lend appropriate assistance in the development of the railroad project now under study by the Department of State, the French Government (Department of Overseas France), and the Liberian Government. The railroad, as now planned, would materially increase the freight volume and port revenues at Monrovia through which this Government is to be reimbursed for the cost of the new Port. The railroad is essential to the development of the mineral, timber, and other natural resources of the Western Province of Liberia,
and

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and it will provide a needed outlet through the new Port at Monrovia for those French territories which are adjacent to the Liberian frontier. The total cost as estimated for this project, it is believed, will not exceed \$10,000,000, in which amount the French Government has indicated a willingness to participate to the extent of approximately \$4,000,000 if a satisfactory basis of agreement can be reached.

11. The strategic and national interests of the United States justify our continued assistance to Liberia, and such assistance and action by the United States should be included in any consideration of immediate or long-term policy.

RECOMMENDATIONS:

1. That this report be submitted to the Joint Chiefs of Staff for their comment from a military point of view.

2. That the Conclusions, as stated, be approved by the Departments of State, War, and Navy, and that they be forwarded to the Joint Chiefs of Staff for their information, and to the appropriate Offices of the State, War, and Navy Departments for appropriate implementation.

NEA:SdelaRue:ea

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May 19, 1947

Strategic and National Interest in the Republic of Liberia.

APPENDIX A.

1. Liberia, an independent nation, is the only territory in West and Central Africa not controlled by any European power; moreover, it is the only African country in which the United States has played the principal role and where American interests are recognized as of preponderant importance by the Government of the country.

2. The United States policy of encouraging and aiding Liberia (within the framework of its independence) to achieve orderly progress in political, social and economic developments has been implemented since 1847, and greatly increased since 1942 by continued assistance. The United States Government now has in Liberia an Economic Mission, a Public Health Service Mission, and through the Office of International Information and Cultural Affairs (Department of State) has made grants for educational purposes and given Liberian institutions equipment and materials. Liberian development today has not advanced sufficiently, however, to permit the country to go forward without outside aid. Assistance by this Government is in accord with the United States world position with regard to backward peoples. The United States at present is deeply involved in the problems of trusteeship, and our Government's assistance to Liberia, which through its aid already has achieved political independence, is of world interest. Any move by this country which might, and would be, interpreted as a sign of relapsing interest on our part might constitute an invitation to other countries to fill the vacuum created by our changed attitude

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attitude, countries whose presence on the West Coast of Africa might under certain circumstances be contrary to the best interest of the United States. Indicative of the interest of other countries and of their readiness to take over and replace the United States in certain of its activities is British and French action concerning Roberts Field. Upon announcement by the War Department of its intention to withdraw United States troops and to close down operations at the Field, both British and French officials informed the Government of Liberia of their interest in taking over and operating this airfield.

3. Notwithstanding the fact that Liberia has been an independent nation since 1847, it has never had sufficient capital for its economic development, nor sufficient revenue to establish and maintain efficient public services for education, health, and public works. The country has a population estimated to be somewhat less than 2,000,000. This population is divided between the more advanced coastal peoples numbering approximately 15,000 - 20,000, whose cultural pattern is modeled on our Western cultures, and the peoples of the interior districts, living under tribal conditions. These tribes represent an interesting mixture of African groups. In the Western Province and along the French border is a group of Mohammedan, Arabic speaking peoples, who represent an intrusion of Sudanese tribes southward towards the coast. The Kru-Bassa-Orebo tribes of the Central and Eastern Provinces are Bantu, or semi-Bantu people at the extreme western extension of their east to west movement. Between these and the Mohammedan group are other tribes which appear to represent a southwestern movement of Africans, whose language affiliations may indicate an origin in Central Africa north of the lakes. The Liberian citizens, therefore

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therefore, have responsibility for these dependent peoples as well as the more usual problems of an under-developed territory. The Liberian Government has never had a revenue budget in excess of \$2,300,000; its basic budget for 1947 is in the sum of \$1,600,000. Its outstanding funded debt is represented as approximately \$700,000, and its floating debt is estimated not to exceed \$50,000. The situation as outlined may be held to be largely responsible for Liberia's lack of economic progress.

4. The United States philanthropic and missionary organizations constitute one of the most important of American activities in Liberia and evidence the interest of our citizens in that country. They furnish more than one-half of Liberian academic, vocational and agricultural education. In this connection there should be mentioned the Boards of Foreign Missions of the Episcopalian, Baptist, Methodist and Lutheran Churches, all of which carry on educational, religious and health work in that country. The Phelps-Stokes Fund is actively interested in the work of the Booker Washington Institute of Kakata and, with the American Colonization Society, contributed substantially to the operation of that institution of agricultural and vocational training. There recently has been formed the Liberian Institute of the American Foundation of Tropical Medicine, Inc. This was created by an initial gift of \$250,000 from Mr. Harvey Firestone, Jr. It has the support and the active participation of the medical schools of eleven leading American universities. It is planned that the Liberian Institute will become the largest tropical medical institute in the world and will cooperate closely with such
internationally

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internationally famous organizations as the Pasteur Institute in France, and the Liverpool, London, and Brussels Schools of Tropical Medicine.

5. The United States position in Liberia and United States responsibility towards that country arise in the first instance from the fact that it was founded by freed slaves and freemen of color under the aegis of American philanthropic societies with the active assistance of the United States Government. The first group of colonists was transported to West Africa by an American warship in 1822. In the course of correspondence with the British Government in 1843 (September 25), Mr. Upshur said:

"To the United States, it (Liberia) is an object of peculiar interest. It was established by our people and has gone on under the continence and good offices of our Government.....It is due to Her Majesty's Government that I should inform you that this Government regards it as occupying a peculiar position and as possessing peculiar claims to the friendly consideration of all Christian powers; that this Government will be at all times prepared to interpose its good offices to prevent any encroachment by the colony upon any just right of any nation; and that it would be very unwilling to see it despoiled of its territory rightfully acquired, or improperly restrained in the exercise of its necessary rights and powers as an independent settlement."

In August, 1847, on the advice of the parent societies in the United States, the Republic of Liberia was proclaimed and recognized.

6. Prior to the Civil War, the United States maintained a squadron on the West Coast of Africa, and the officers of this squadron lent their aid and assistance to the Liberian colonists in their efforts to suppress the slave trade and in resisting attacks by tribesmen. By Act of Congress of March 4, 1909, the United States Government appointed a Commission to investigate, "the interests of the United States
and

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and its citizens in the Republic of Liberia." The report of the Commission recommended assistance from the United States in the preparation and carrying out of an extensive development and refunding program.

7. Our unique position as the "next friend" of Liberia is referred to in many official documents, and is recognized both by Great Britain and by France.¹ Our position in this respect has continued from the beginning of the colony, and has been strengthened by time. The Republic of Liberia in recognition of this relationship and mutuality of interest, at the beginning of the Second World War entered into the Defense Areas Agreement of March 11, 1942, with our Government. Liberia signed a standard Lend-Lease Agreement with the United States on June 8, 1943. Agreement for the Construction of a Port and Port Works and Access Roads, was signed by the Liberian and United States Governments on December 31, 1943.

8. United States investments in Liberia at present are estimated to be in excess of \$60,000,000. This amount will be materially increased through investment incidental to the development of various commercial projects, mining, lumbering, and as indicated in the paragraphs which follow.

9. The

¹ Senate Document No. 457, 61st Congress, 2d Session, Message from the President of the United States to the Senate and House of Representatives transmitting a letter of the Secretary of State submitting a report of the Commission which visited Liberia in pursuance of the provisions of the Act of March 4, 1901, pages 8 and 10 of the printed copy.

Foreign Relations of the United States - 1925, Volume II, page 414.

Letter from the Secretary of State (U.S.) to the Secretary of State for Foreign Affairs (Great Britain), dated June 27, 1919.

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9. The interest of the United States in Liberia, however, both actual and potential, is greater in terms of capital investment than in any other part of Africa, with the possible exception of the Union of South Africa. The Firestone Tire and Rubber Company, through its subsidiary, the Firestone Plantations Company, employs some thirty thousand laborers and a staff which includes some 150 Americans, and has mining and other rights in one million acres of land and an annual production volume of 25,000 tons of natural rubber. Throughout the War Emergency this supply of Liberian rubber was of major importance. Notwithstanding developments in the production and use of synthetic rubber, Mr. Harvey Firestone, Jr., considers that this volume of production will be maintained, and he has so informed the Department of State. The Firestone Bank in Monrovia is the principal banking institution in Liberia, and the only American owned bank in West Africa.

10. Liberia has large deposits of high-grade iron ore. In the Bomi Hills, 35 miles northeast of Monrovia, United States geologists sent on recommendation of the Department of State, by the Bureau of Mines, Department of the Interior, reported an important deposit of high-grade iron ore. An American group headed by Mr. Lansdell K. Christie now has contracted with the Liberian Government for the mining rights. Their engineers are now engaged in clearing the land, surveying roads, and preparing for the necessary installation of machinery. This company has informed the Department of State that it plans to mine a minimum of 600,000 tons of ore annually. Another United States Government survey (Preliminary Reconnaissance of the Mineral Situation in Liberia by Mr. H. R. Van Wagenen, a mining

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mining engineer attached to the Foreign Economic Administration, dated February 28, 1945) reported an important deposit of high-grade hematite ore extending as a surface outcrop over a width of two and one-half miles, near the port of Harper, Cape Palmas. Other deposits of minerals have been reported, including industrial diamonds, and the present annual production of gold is between 20,000 and 30,000 ounces.

11. In the center of the Western Province of Liberia is the Gola Forest. This forest area, together with its extension to the eastward, constitutes the largest virgin forest of tropical hardwoods in West Africa. Mahogany, African teaks, gums, ironwood, and other woods well known to the lumber industry and of value to this country make this one of Liberia's most important natural resources, and one that is of interest to the United States.

12. The oil palm area of Liberia is extensive and relatively undeveloped. The Secretary of Commerce has expressed interest in the possibility of developing for the United States this important supply of vegetable oil. It is required for soap making, compound lard, edible oils, and other commercial purposes. Vegetable oil is in short supply throughout the world at the present time.

13. Liberia has a small but potentially interesting production of cacao. American importers and chocolate manufacturers, faced with increasing shortages in supply of cacao beans from the Gold Coast, which heretofore has been the World's principal producer, have sent specialists to Liberia for the purpose of reporting on, and planning for a considerable expansion of Liberian cacao production for the United States

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States market. The British Government has organized a government marketing organization for all cacao produced in British territories, and in effect have established a monopoly control for this product. The development of an increased cacao production in Liberia will be of benefit not only to Liberian producers, but to business interests and consumers in the United States.

14. The United States Government during the War period extended and equipped the airport at Roberts Field at a cost estimated to be in excess of \$5,000,000. Application was made by Pan-American Airways for a temporary suspension of service because of the withdrawal of United States military personnel staffing the Field and consequent lack of air navigation facilities. This subject was referred to the Air Coordinating Committee (Ref. Document No. 74), and was considered on March 13, 1947. A decision was reached to the effect that the national interest of the United States in Liberia justified recommendation to the Civil Aeronautics Board that the application for suspension of service be denied. The Civil Aeronautics Board by Order Serial No. E-385, adopted March 20, 1947, denied, without prejudice, the Pan-American Airways request. At the present time negotiations have been initiated by the Department of State with the War Department, Navy Department, the Civil Aeronautics Administration, and the Firestone Plantations Company looking to arrangement for the continued operation of the Field by American interests, assisted by contributions from both the War and Navy Departments. Pan-American Airways was invited by the Department of State to take part in these negotiations, but declined to participate. Pan-American Airways

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now has filed a new request under Section 401 (h) of the Civil Aeronautics Act, as amended, for suspension of its right and obligation to serve Monrovia, Liberia, for a period of two years. This request was authenticated April 9, 1947.

15. A group of twelve American citizens associated as a partnership under the laws of the State of New York and operating under the name "The Liberian Airline Founders," have been granted a franchise by the Government of Liberia to operate an air service along the coast of West Africa. These have notified the Department of State of their intention to incorporate in the State of Delaware as the "Liberian Airline Management Corporation." This group has advised the Department of State of its willingness to take over the operation of Roberts Field on a management basis if continued operation of the Field can be financed.

16. Under the terms of the Agreement entered into between the two Governments on December 31, 1943, for the construction of a "Port and Port Works and Access Roads," the sum of \$19,275,000 has been allocated, and a contract signed by the Navy Department, Bureau of Yards and Docks, with the Raymond Concrete Pile Company for the construction. This work is now in progress under the supervision of the Bureau of Yards and Docks. The Port work is sufficiently advanced to indicate the opening of the Port for limited commercial operations late in 1947, but it will not be completely finished until 1948. The Agreement (Articles 5 and 6) provides that the sums advanced for the construction shall be repaid to this Government from revenues of the new Port received over and above those amounts required for actual maintenance and operation.

17. The volume of freight passing through the Port, and in consequence the amount of Port revenue, and the time required for repayment to the United States Government are dependent

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dependent upon, (a) the construction of "access roads," as provided in the Agreement, and (b) the projected development and use of the natural resources of the country. The port site is on an island separated by a narrow channel from the City of Monrovia and from the Western Province by the St. Paul River. The only road which has been constructed between the mainland and the Port leads to the rock quarry used in the construction work. This road will connect the City of Monrovia with the Port, but it is inadequate to handle any substantial volume of freight between the new Port area and the interior of the country. It does not connect the Port area with the Western Province. This connection will require the building of a bridge over the St. Paul River. Funds allocated to the work, however, are believed to be sufficient to cover the carrying out in full of the Agreement.

18. Under the terms of the Port Construction Agreement, the Port will be operated as a Free Port (Article 3), and the Liberian Government has agreed (Article 5) to place the management of the Port in the hands of an American company during the full period of amortization,

"...commencing from the date of completion of the Port and Port Works and Access Roads, or from such earlier date as the Port is able to begin receiving ships and cargo."

The Monrovia Port Management Company is in the process of formation (Articles 3, 5, and 6 of the Agreement). It is proposed that the American-South African Line and the Mississippi Shipping Company, both of which this year have been granted subsidies by the United States Maritime Commission for the operation of services between the United States and Africa, together with the Firestone Plantations Company and the Liberian

Mining

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Mining Company, Ltd., participate in this management company, and pending development of freight volume these also will share any operational and maintenance deficits of the Port. The American-South African Line plans to operate a service of small, coastwise vessels which will bring cargo from less accessible ports to Monrovia for transshipment on their larger, faster freighters.

19. The Republic of Liberia has further agreed that upon request it will grant the Government of the United States,

".....the right to establish, use, maintain, improve, supplement, guard and control, in part or in their entirety, at the expense of the Government of the United States of America, such naval, air and military facilities and installations at the site of the port, and in the general vicinity thereof, as may be desired by the Government of the United States of America for the protection of the strategic interests of the United States of America in the South Atlantic." (Article 7 of the Agreement of December 31, 1943, for the Construction of a Port and Port Works.)

20. The Governments of France, Liberia, and the United States now have under discussion the possibility of construction of a railroad which would serve to open the very rich and large territory of Liberia's Western Province to commercial development, and at the same time give access to the coast through the new Port at Monrovia, to French territories adjacent to the Liberian Frontier. Such a railroad would serve to increase the freight volume, and consequently the revenues of the new Port at Monrovia, from which the United States Government is to be reimbursed its cost. Studies are being undertaken as to the potential freight volume which this railroad may be expected to develop, and American and French engineers are now in Liberia making a survey of the right-of-way. Preliminary estimates of the cost of construction of this railroad (of a length of approximately 220 miles), but not including

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including the cost of land for the right-of-way, nor of rolling stock and terminal facilities, indicate a sum amounting to approximately \$7,700,000. The French Government informally has suggested that it would be prepared to consider participation in the capital cost of the undertaking to the extent of approximately \$4,000,000 if a satisfactory basis of agreement can be reached. The Liberian Government will be expected to contribute the right-of-way and local materials, as well as whatever additional land may be required for railroad buildings, stations, and yards. In addition, the Liberian Government will be expected to underwrite an agreed share of the capital cost. The total cost of the railroad and equipment is estimated not to exceed \$10,000,000, of which amount, and on the above basis, approximately \$6,000,000 probably would have to be found in the United States.

21. On the suggestion of the Department of State, and in order that a basic policy and developmental program might be formulated, the Liberian Government has prepared and presented a five-year policy program which includes economic development, administrative reform, and modernization of the public education and health services. The Liberian Government has requested the assistance of the United States, and this program is now under study by the Department of State.

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Eleventh Meeting

STATE-WAR-NAVY COORDINATING SUBCOMMITTEE
FOR THE NEAR AND MIDDLE EAST

Minutes of Meeting Held in Room 6117A,
The New State Department Building
on Wednesday, 11 June 1947, at

MEMBERS PRESENT

Mr. Henry S. Villard, Acting Chairman

Colonel C.B. Westover

Captain G. A. Sinclair

OTHERS PRESENT

Mr. Jernigan - State

V. F. FIELD
Acting Secretary

(15)

ITEM 1.

MR. VILLARD presented a brief of the Liberia paper and again urged that the paper be presented to SWNCC for consideration in order to meet the July 5th date. The COMMITTEE, after considerable discussion, agreed on certain amendments to the Conclusions of the paper; approved the paper as amended and directed the Secretary to present the paper to the SWNCC Secretariat for presentation to JCS and SWNCC.

ITEM 2. - Defense of Appropriation for Turkey.

MR. JERNIGAN stated that he had just come from the Bureau of the Budget, where discussions had been held on the justification for a \$100,000,000 appropriation for Turkish aid. The Bureau of the Budget was of the opinion that the justification presented by the State Department would not be accepted by Congress inasmuch as it had not specifically stated what the appropriation would be used for. For this reason it was felt that some information should be obtained on the types of military aid to be given Turkey. MR. JERNIGAN queried the War and Navy Members as to whether their departments could produce the necessary information on short notice. CAPTAIN SINCLAIR was of the opinion that at this stage that it would be merely a guess on the part of the Navy Department and suggested that the State Department try to obtain some information from the Mission.

After further discussion the State and Navy Members agreed that State Department should prepare a message to the Turkish Ambassador as soon as possible asking for a preliminary estimate of the types and costs of military assistance to Turkey. The Army agreed to take the matter up with the War Department and to advise Mr. Jernigan of the War Department views later.

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Tenth Meeting

STATE-WAR-NAVY COORDINATING SUBCOMMITTEE
FOR THE NEAR AND MIDDLE EAST

Minutes of Meeting Held in Room 6117A,
The New State Department Building
on Monday, 9 June 1947, at

MEMBERS PRESENT

Mr. Henry S. Villard, Acting Chairman
Colonel T. W. Parker
Captain G. A. Sinclair

OTHERS PRESENT

Mr. Jernigan - State

V. F. FIELD
Acting Secretary

(14)

ITEM 1. - Size of Turkish Army.

MR. JERNIGAN indicated that the British were anxious to secure information as to the types of assistance to be given to the Turkish Army and, if possible, the approximate size of military forces to be supported by this aid. COL. PARKER stated that the War Department was opposed to sitting down in Washington with the British and telling them at this time the size of the Turkish Army to be recommended. MR. VILLARD concurred. MR. JERNIGAN stated that due to the fact that the British were providing military instructors it would be necessary at a later date, probably after the survey was completed, to provide the British with some information as to the approximate size of army, air and naval units.

MR. JERNIGAN further stated that the request of the British had been forwarded to the Under-Secretary of State for comment. It was generally agreed that the U.S. was not in a position to set the size of the Turkish Army; that the Mission in Turkey would merely decide what the assistance would be; and that no conversations should be held with the British until after the return of the Mission.

ITEM 2. - Strategic and National Interest in Liberia and Its Relationship to Continued Assistance to that Country.

MR. VILLARD indicated that on or about 5 July the U. S. proposed to send a delegation to Liberia to attend the centennial celebration on the founding of Liberia, and that he felt that this would be a good opportunity to have the senior delegate, Mr. DeLaRue, discuss with Liberian authorities U. S. policy towards that Republic.

For these reasons he felt that urgent consideration should be given to the paper concurrently under consideration by the Subcommittee.

ITEM 3. - Policy for Execution of Greek Assistance Program.

After considerable discussion of this paper, the Subcommittee agreed to amend the paper to conform with the recommendations of the Navy Member with the exception of paragraph 3 (m) and (n) of the Conclusions, which were to be rewritten by Mr. Jernigan after a conference with a member of the McGhee Committee. The letter of instructions to the Chief of the Mission would likewise be furnished by State after the McGhee Committee had revised it.

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Ninth Meeting

STATE-WAR-NAVY COORDINATING SUBCOMMITTEE
FOR THE NEAR AND MIDDLE EAST

Minutes of Meeting Held in Room 6117A,
The New State Department Building
on Monday, May 26, 1947 at 1600

MEMBERS PRESENT

Mr. Henry S. Villard, Acting Chairman

Colonel T. W. Parker

Captain G. A. Sinclair

OTHERS PRESENT

Mr. Jernigan - State

V. F. FIELD
Acting Secretary

(13)

ITEM 1. - Draft Report Regarding Policies for Execution of Greek Assistance Program.

After considerable discussion, the Subcommittee agreed that

a. The draft report should be revised by the Secretary in line with the discussion and be re-circulated to the Subcommittee.

b. That the State Member would draft paragraphs regarding funds, methods by which the chief of the Mission will require proper use of materials and supplies; equality or parity of the various components of the Mission in such aspects as overseas pay and allowances; and re the right of dependents to live in Greece and other privileges.

SECRET12 May 1947COPY NO. 75*334
7/8/47 Cont.
Subcomte*STATE-WAR-NAVY COORDINATING COMMITTEEDECISION ON SWNCC 358/1SURVEY OF U.S. ASSISTANCE TO TURKEYNote by the Secretaries

1. By informal action on 12 May 1947 the State-War-Navy Coordinating Committee approved SWNCC 358/1.

2. On 7 May 1947 the Secretaries of State, War and the Navy agreed that the group of special assistants to the U.S. Ambassador to Turkey to assist him in making a survey of Turkey should be composed of not more than twenty-three individuals (including clerical assistants) with maximum representation as follows:

State Department	4
War Department	12
Navy Department	7

3. In view of the above decision holders of SWNCC 358/1 are requested to substitute the attached revised page 4 for the one contained therein and destroy the superseded page by burning.

H. W. MOSELEY
W. A. SCHULGEN
V. L. LOWRANCE
Secretariat

SECRET*(12)*

SECRETSWNCC 358/128 April 1947Pages 1 - 7, incl.COPY NO. 75

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NEA
Subcommittee
fileSTATE-WAR-NAVY COORDINATING COMMITTEESURVEY OF U.S. ASSISTANCE TO TURKEY
Reference: SWNCC 358/DNote by the Secretaries

The enclosure, a report by the State-War-Navy Coordinating Subcommittee for the Near and Middle East, is circulated for consideration by the Committee as a matter of PRIORITY.

H. W. MOSELEY

W. A. SCHULGEN

V. L. LOWRANCE

Secretariat

SWNCC 358/1SECRET

13

S E C R E TE N C L O S U R ESURVEY OF U.S. ASSISTANCE TO TURKEY

Report by the
State-War-Navy Coordinating Subcommittee for the
Near and Middle East

THE PROBLEM

1. To consider the size, composition, method of operation, and terms of reference of a group of assistants to be dispatched to Turkey for the purpose of assisting the U.S. Ambassador in determining Turkey's requirements for U.S. assistance within the scope of the Aid to Turkey Legislation.

FACTS BEARING ON THE PROBLEM AND DISCUSSION

2. Authority for assistance to Turkey will be included in legislation now under consideration by the Congress. It is estimated that this legislation will be passed during the week 27 April - 3 May. Approximately \$100,000,000 is expected to become available, subject to passage of necessary appropriations legislation, and subject to approval of the Department of State. The Department of State will have authority to allocate, within the limits of the total appropriations for assistance to Greece and Turkey, the portions to be provided for each country.

3. In his message to Congress of 12 March 1947 the President expressed the principle of assistance to Turkey and indicated its general scope and timing. The authority for such assistance is contained in a Bill currently being considered by Congress providing for a loan or gift to Greece and Turkey of up to four hundred million dollars. It is anticipated that approximately one hundred million dollars of this amount will be allocated to Turkey although the Bill itself does not contain any provision allocating the funds between the two countries. In addition to authorizing funds, the Bill contains authority for the President to detail a limited number of military personnel and civilian personnel of the U.S. Government to assist the countries in an

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advisory capacity, to transfer to Greece and Turkey military and civilian supplies, and to reimburse the Departments concerned for such supplies. It requires that expenditures be observed by U.S. Government representatives to insure their proper utilization.

4. Although British military authorities in Greece were able to provide reasonably accurate estimates of assistance required from the U.S. for the Greek Armed Forces, they are unable to provide similar estimates in the case of Turkey. The U.S. Ambassador in Turkey and particularly the Military and Naval Attaches have likewise been unable to determine the needs of the Turkish Armed Forces. It is concluded that any program of assistance to Turkey as envisaged by the legislation under consideration must be preceded by an overall study of the Turkish military and economic situation in order that the limited funds may be utilized most efficiently.

5. It appears necessary to dispatch to Turkey, with the least possible delay after the passage of the legislation, a small group of assistance to aid the U.S. Ambassador to Turkey in making a survey of Turkey with the objective of making recommendations as to the most efficient expenditure of funds for assistance to Turkey within the limits of the program authorized by Congress. The current breakdown of the Turkish budget for its Armed Forces is approximately 60% for the Army, 30% for the Air Force and 10% for the Navy. In the group to assist the Ambassador, approximately twenty-six Army and Air Force representatives and twelve Navy representatives appears to be adequate. The State Department desires to include only one or two economists. These personnel estimates include the clerical assistance required for the group since the U.S. Embassy does not have the facilities to support them while in Turkey. The Ambassador's group should consist of planning personnel to include strategic, operational, and logistical planners and specialists in the fields of communication, transportation and munitions. In order to avoid

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a dominant military aspect, civilian experts should be used wherever practical.

6. Although certain preliminary steps have been taken to assemble the group, it appears that the middle of May is the earliest estimated date of departure practicable. Assembling the personnel in Washington and briefing them prior to their departure will require at least three weeks. Since the group is small and since time is an important factor, it should proceed from Washington to Ankara by fastest transportation available.

7. Because the Turks are a proud people, jealous of their sovereignty, it is considered desirable to have the survey group operate under the U.S. Ambassador to Turkey, utilizing his established position to avoid any aspect of unwarranted U.S. interference in Turkish affairs. He should be directed to make the survey and should be furnished adequate assistance as discussed above.

8. The final objective of the survey will be the preparation of findings and recommendations to the U.S. Government as to how the appropriated funds can best be expended to achieve objectives of U.S. assistance to Turkey. These recommendations should cover a wide scope, including specific requirements of the Turkish Armed Forces for equipment and supplies, relative priority of various items, such economic and industrial assistance as might be required, reorganization desirable in the Turkish Armed Forces, additional training to be accorded Turkish Armed Forces by the U.S. and British, the part to be played by the British in further assistance to Turkey, relationship between U.S. and British personnel, if both remain in Turkey, the phasing of supply of required items, and the degree of supervision to be exercised over the utilization of any assistance furnished.

9. As the report will be prepared by the Ambassador, it is desirable that it be written in Turkey. This will also permit easy access to further material while the report is under preparation. The report should be joint in nature and should be submitted

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to the Department of State for consideration and as a basis for a U.S. governmental decision.

10. Since it is estimated that preparation of the report will require approximately six weeks and since certain token shipments of equipment or supplies, or provision of other assistance to Turkey, might be required prior to the completion of the report, authority should be given the Ambassador to recommend such interim assistance as he sees fit.

CONCLUSIONS

11. It is concluded that:

a. A group of special assistants to the U.S. Ambassador to Turkey should be furnished to assist him in making a survey of Turkey. It should be composed of not more than twenty-three individuals (including clerical assistants), with maximum representation as follows:

State Department	4
War Department (Army & Army Air Forces)	12
Navy	7

b. Planning personnel, including strategic, operational and logistical planners, should be included from all three Services. In addition, specialists on communications, transportation, and munitions should be provided. Full use should be made of civilian experts.

c. The personnel should depart from Washington for Ankara not later than 19 May 1947, proceeding by fastest transportation facilities available.

d. Terms of reference indicated (Appendix) should guide the Ambassador in conducting the survey.

RECOMMENDATIONS

12. It is recommended that:

a. The above conclusions be approved by the State-War-Navy Coordinating Committee.

SWNCC 358/1

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(Revised 12 May 1947)

Enclosure

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b. After approval by SWNCC, the terms of reference (Appendix) be transmitted to the U.S. Ambassador to Turkey by the Department of State.

c. Copies of the approved paper be forwarded to the State, War and Navy Departments for appropriate implementation and to the Joint Chiefs of Staff for information.

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S E C R E TA P P E N D I XTERMS OF REFERENCE FOR THE SURVEY OF TURKEY TO
DETERMINE U.S. PROGRAM OF ASSISTANCE

1. The survey of Turkey will be conducted by the U.S. Ambassador to Turkey.

2. An over-all study of the Turkish Armed Forces will be conducted to include the Turkish economic and industrial potential for national defense and to determine recommendations for assistance to Turkey, within the limits of appropriated funds, to include the following:

a. Specific requirements of the Turkish Army, Navy, and Air Forces for equipment and supplies, including a relative priority of various items.

b. Detailed economic and industrial assistance, including specific projects or types of projects, which would improve the efficiency and/or the self-sufficiency of the Turkish Military establishment.

c. The desirability and feasibility of reorganization of the Turkish Armed Forces designed to improve their efficiency and/or reduce the burden of maintenance of present large forces.

d. Training of the Turkish Armed Forces to be provided by the U.S. or the British.

e. Objectives, type, composition, and size of any U.S. mission required in Turkey.

f. Continuing participation of the British in furnishing assistance, economic or military, to Turkey.

g. Relationship of U.S. and British missions, if both are required or desired in Turkey.

h. Phasing of supply of required items.

i. The degree of supervision to be exercised by the U.S. over the utilization of assistance furnished Turkey, and the method of exercising such supervision.

S E C R E T

3. The U.S. Ambassador to Turkey will consult with appropriate departments of the Turkish Government, the Turkish Armed Forces, British missions or other British Armed Forces personnel in Turkey, and such other agencies or individuals as he considers desirable.

4. To support his recommendations the Ambassador will prepare a report of his findings, which he will submit to the Department of State not later than 15 July 1947.

5. Prior to the consideration of his recommendations by the U.S. Government, or during the course of his study, should the Ambassador find it necessary or desirable that interim assistance should be furnished Turkey, he may so recommend.

6. The basic objectives of U.S. assistance to Turkey, as stated below, will serve as guidance in the conduct of the survey:

a. The maintenance of the present strong Turkish determination to resist Soviet aggression. (This will require continued confidence in the U.S. as a source of actual and potential support and the maintenance of a sufficiently strong and well-equipped Turkish Army to give the Turks a feeling that their own defenses are strong.)

b. Maintenance of Turkish economic well being so that social unrest will not open the way for Soviet-Communist penetration. (This involves the reduction of the economic burden of the Turkish Armed Forces to a point at which Turkey can eventually support them without outside assistance.) At the present time the strength and productivity of the Turkish economic system should be increased both to promote the general welfare of the Turkish people and to permit Turkey to maintain by herself adequate defense forces.

STANDARD FORM NO. 64

Office Memorandum · UNITED STATES GOVERNMENT

DATE: May 5, 1947

TO : Col. V. F. Field,
SWNCC Secretariat, New State Bldg.

FROM : NEA - J. D. Jernegan

SUBJECT :

Mr. Villard has no corrections to make in these minutes. It is understood, however, that Col. Parker will suggest a change in the marked section on page 3.

NE:JDJ/GC

J.D.J.

MAY 6 - 1947

WAR & NAVY COORDINATING
COMMITTEE

SECRET*Mr. Villard*SECRETEighth MeetingSTATE-WAR-NAVY COORDINATING SUBCOMMITTEE
FOR THE NEAR AND MIDDLE EASTMinutes of Meeting Held in Room 6117A,
The New State Department Building
on Thursday, 1 May 1947, at 1100MEMBERS PRESENT

Mr. Henry S. Villard, Acting Chairman

Colonel T. W. Parker

Captain G. A. Sinclair

OTHERS PRESENT

Lt. Colonel R. D. Offer

V. F. FIELD
Acting Secretary**SECRET***(11)*

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ITEM 1.

THE SUBCOMMITTEE agreed that although informal meetings of the Subcommittee had been held since the Seventh Meeting on 19 October 1945, this meeting should be known as the Eighth Meeting in order to provide continuity.

ITEM 2. - GREEK GOVERNMENT'S PROPOSAL TO INCREASE THE SIZE OF THE GREEK ARMY AND GENDARMERIE.

MR. VILLARD referred to a recent decision of the Greek Government to increase the strength of the Greek Army to 140,000 and the Greek Gendarmerie to 36,000 and stated that the State Department felt that this proposal would be undesirable at least until the American Mission to Greece has had an opportunity to investigate the question more thoroughly. Further that it was believed that the increase in the Gendarmerie could be construed as a move on the part of the Minister of Public Order in Greece to strengthen his hand with a view to furthering his political ambitions.

He further said that the Greek plan was to train some 30,000 recruits to replace a like number of older soldiers who were to be dismissed as soon as the recruits replaced them. The State Department felt that the older soldiers might not actually be released after their replacements had been trained and therefore might result in the build up of the Greek Army to 150,000. He stated that the Interim Greece-Turkey Assistance Committee had requested the views of the War Department on the following questions:

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- a. Would failure to make the proposed increase in the Army and Gendarmerie seriously handicap the contemplated summer campaign for the restoration of internal security in Greece, and if so, in what manner?
- b. If the increase were to be made, what effect would it have upon the present tentative allocation of \$150,000,000 for military assistance to Greece?

MR. VILLARD then read a proposed telegram to the American Ambassador, Greece advising him to approach the Greek Government with a view to postponing the proposed plan pending the arrival of the American Mission in Greece and requested the other members views thereon.

COL. PARKER stated that with regards to the first question he did not believe that failure to make this proposed increase would seriously handicap the contemplated "summer campaign", however, that the War Department felt that with a view to increasing morale in the Greek Army that the older soldiers should be replaced as the morale of this particular group was extremely low. He further stated that War Department ~~opposed any increase in the Gendarmerie~~ ^{This} ~~which~~ ^{was concurred in by Captain Sinclair.} COL. PARKER further stated he believed that the Greek Government could be more, or less forced into releasing the older soldiers ^{by the} ~~by the~~ American Mission with a threat of curtailing further assistance. COL. PARKER then called upon LT. COL. OFFER for an estimate of the costs with regard to the second question above.

COL. OFFER said that the effect of this increase was now being computed by the War Department and would be

approval of a temporary increase in strength did not include

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The increase now and here a decrease occurs after the U.S. Mission arrived

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forthcoming at a later date, however, that a rough estimate for food ^{costs} ~~alone~~ for this increase would run about 3 to 3 1/2 million dollars.

COLONEL PARKER stated that with regard to the proposed message he felt that it should be delayed until the Mission had arrived in Greece or that the stop order only apply to the Gendarmerie.

After further discussion, the SUBCOMMITTEE agreed that the "McGhee Committee" should be advised that:

- a. Failure to make the proposed increase in the Greek Army and Gendarmerie would not seriously handicap the contemplated "Summer Campaign" and;
- b. The proposed increase would cost some 3 to 3 1/2 millions for food alone.

THE SUBCOMMITTEE further agreed that the State Department should reconsider the proposed message to the American Embassy in Greece in light of the above discussion.

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SECRETCol Parker
P40SECRETEighth MeetingSTATE-WAR-NAVY COORDINATING SUBCOMMITTEE
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The New State Department Building
on Thursday, 1 May 1947, at 1100MEMBERS PRESENT

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V. F. FIELD
Acting Secretary**SECRET**

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- a. Failure to make the proposed increase in the Greek Army and Gendarmerie would not seriously handicap the contemplated "Summer Campaign" and;
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THE SUBCOMMITTEE further agreed that the State Department should reconsider the proposed message to the American Embassy in Greece in light of the above discussion.

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SECRET**SECRET****Eighth Meeting****STATE-WAR-NAVY COORDINATING SUBCOMMITTEE
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on Thursday, 1 May 1947, at 1100****MEMBERS PRESENT****Mr. Henry S. Villard, Acting Chairman****Colonel T. W. Parker****Captain G. A. Sinclair****OTHERS PRESENT****Lt. Colonel R. D. Offer****V. F. FIELD
Acting Secretary****SECRET**

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Eighth Meeting

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M. East.

STATE-WAR-NAVY COORDINATING SUBCOMMITTEE
FOR THE NEAR AND MIDDLE EAST

Minutes of Meeting Held in Room 6117A,
The New State Department Building
on Thursday, 1 May 1947, at 1100

MEMBERS PRESENT

Mr. Henry S. Villard, Acting Chairman

Colonel T. W. Parker

Captain G. A. Sinclair

OTHERS PRESENT

Lt. Colonel R. D. Offer

V. F. FIELD
Acting Secretary

SWNCC SECRETARIAT

State Member	-----
Army Member	-----
Navy Member	-----
Ass't State Member	-----
Ass't Army Member	-----
Ass't Navy Member	-----
Executive Secretary	-----
Ass't Exec. Secretary	-----
State Adm. Assistant	-----
Army Adm. Assistant	-----
Navy Adm. Assistant	-----
File	-----

W. F. Field

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COL. PARKER stated that with regards to the first question he did not believe that failure to make this proposed increase would seriously handicap the contemplated "summer campaign", however, that the War Department felt that with a view to increasing morale in the Greek Army that the older soldiers should be replaced as the morale of this particular group was extremely low. He further stated that War Department opposed any increase in the Gendarmerie which was concurred in by Captain Sinclair. COL. PARKER further stated he believed that the Greek Government could be more or less forced into releasing the older soldiers by the American Mission with a threat of curtailing further assistance. COL. PARKER then called upon LT. COL. OFFER for an estimate of the costs with regard to the second question above.

COL. OFFER said that the effect of this increase was now being computed by the War Department and would be

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forthcoming at a later date, however, that a rough estimate for food alone for this increase would run about 3 to 3 1/2 million dollars.

COLONEL PARKER stated that with regard to the proposed message he felt that it should be delayed until the Mission had arrived in Greece or that the stop order only apply to the Gendarmerie.

After further discussion, the SUBCOMMITTEE agreed that the "McGhee Committee" should be advised that:

- a. Failure to make the proposed increase in the Greek Army and Gendarmerie would not seriously handicap the contemplated "Summer Campaign" and;
- b. The proposed increase would cost some 3 to 3 1/2 millions for food alone.

THE SUBCOMMITTEE further agreed that the State Department should reconsider the proposed message to the American Embassy in Greece in light of the above discussion.

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SWNCC - Mr. John Gardiner
Room 2027 New State*5-7-47 Same*

April 30, 1947

CONFIDENTIALMr. Henry S. Villard, Chairman,
SWNCC Subcommittee on Near and Middle East

With reference to the memorandum already sent you regarding the Greek Government's proposal to increase the size of the Greek Army and Gendarmerie, I am directed to inform you that this question was discussed at the meeting of the Interim Greece-Turkey Assistance Committee on April 29. The Committee tentatively concluded that it would be undesirable to have any substantial increase in the Greek armed forces, at least until the American Mission to Greece has had an opportunity to investigate the question more thoroughly. Accordingly, the Department of State proposes to suggest to the Greek Government that it postpone action temporarily.

The foregoing decision is, as stated, purely tentative and should not be taken as representing the final position of the Department. It was influenced by the Committee's fear that an increase in the size of the armed forces would cut too deeply into funds available for economic rehabilitation in Greece.

The Committee request that the views of the War Department in particular be obtained on the following two questions:

1. Would failure to make the proposed increase in the Army and Gendarmerie seriously handicap the contemplated summer campaign for the restoration of internal security in Greece, and if so, in what manner?
2. If the increase were to be made, what effect would it have upon the present tentative allocation of \$150,000,000 for military assistance to Greece?

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It would be appreciated if an expression of views on these points could be obtained urgently, since it is desired to forestall any action by the Greek Government which might adversely affect the operations of the American recovery mission.

John D. Jernegan
Executive Secretary
Interim Greece-Turkey
Assistance Committee

CONFIDENTIAL

STANDARD FORM NO. 64

Col Field
Gardner
Office Memorandum • UNITED STATES GOVERNMENT

TO : SWNCC - Mr. Moseley
FROM : NEA - H. S. Villard
SUBJECT:

DATE: Jan. 31, 1947

*334 Subcommittee
for Near and Middle
East.*

I have examined the draft of the proposed charter for the Near and Middle East Subcommittee and have no particular comments to make. I believe it is an adequate document for the purpose.

HSV

NEA:HSVillard:aa

RESTRICTEDCOPY NO. 48SWNCC 12/1012 February 1947Pages 23 and 24STATE-WAR-NAVY COORDINATING COMMITTEESWNC SUBCOMMITTEE FOR THE NEAR AND MIDDLE EASTNote by the Secretaries

The enclosure, a draft charter for the State-War-Navy Coordinating Subcommittee for the Near and Middle East, prepared by the Secretariat, SWNCC, in collaboration with the Subcommittee, is circulated for consideration by the Committee.

H. W. MOSELEY

W. A. SCHULGEN

V. L. LOWRANCE

Secretariat

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E N C L O S U R E

D R A F T

CHARTER

SWNC SUBCOMMITTEE FOR THE NEAR AND MIDDLE EAST

ORGANIZATION

1. The SWNC Subcommittee for the Near and Middle East (SNME) is hereby established as the agency of the State-War-Navy Coordinating Committee (SWNCC) to consider problems relating to the Near and Middle East which are of common interest to the State, War and Navy Departments.

MEMBERSHIP

2. The SWNC Subcommittee for the Near and Middle East will consist of:

- a. One official of the State Department who shall serve as Chairman.
- b. One officer or official of the War Department.
- c. One officer or official of the Navy Department.
- d. Such reasonable number of officers and officials of the State, War and Navy Departments as those Departments may designate.

3. Whenever a member of the Subcommittee is unable to attend a meeting of the Subcommittee, or act on a matter informally, he shall designate an alternate who will act in his place.

FUNCTIONS

4. The SWNC Subcommittee for the Near and Middle East shall:

- a. Consider matters relating to the Near and Middle East referred to it by the State-War-Navy Coordinating Committee.

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- 23 -

Enclosure

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b. Prepare on its own initiative for SWNCC consideration, recommendations regarding policies and directives and other matters relating to the Near and Middle East and of interest to the three Departments.

c. Keep under constant review existing policies and directives on Near and Middle East matters of interest to the three Departments and recommend needed revisions to the State-War-Navy Coordinating Committee.

PROCEDURE

5. The SWNC Subcommittee for the Near and Middle East shall:

a. Establish its own method of procedure.

b. Have assigned from the SWNCC Secretariat an officer or official who shall act as its secretary.

c. Maintain close liaison with other agencies of the State-War-Navy Coordinating Committee and with the appropriate policy offices of the three Departments.

d. Coordinate matters with agencies outside the State, War and Navy Departments when such coordination is necessary.

e. Invite, when desired, such members of CIG to attend meetings or to request intelligence studies as are needed through the Secretary, NIA.

6. Each member of the SWNC Subcommittee for the Near and Middle East is authorized to request the presence at meetings of the Subcommittee of authoritative consultants from the policy and functional offices of his Department.

7. If unable to reach agreement promptly, the Subcommittee for the Near and Middle East shall submit to the State-War-Navy Coordinating Committee a report indicating wherein the members disagree in order that the State-War-Navy Coordinating Committee may take appropriate action.

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WAR DEPARTMENT
WAR DEPARTMENT GENERAL STAFF
Plans & OPERATIONS DIVISION
WASHINGTON 25, D. C.

6 September 1946

MEMORANDUM FOR COL REID

Will you please have the attached paper published as a:

"DRAFT MEMORANDUM TO THE SECRETARY OF STATE."

It should be published as a paper of the Subcommittee for the Near and Middle East, for "Consideration by the Subcommittee."

It should have on the cover sheet something to the following effect: "The attached memorandum is presented by the War member with the recommendation that it be approved by the Subcommittee, forwarded to the Joint Chiefs of Staff for comment from the military point of view, and subsequently approved by the State-War-Navy Coordinating Committee for presentation to the Secretary of State as a statement the coordinated politico-military view regarding U. S. security interests in Greece."

James McCormack, Jr.
James McCormack, Jr.,
Colonel GSC

SEP 6 1946



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SWNCC SECRETARIAT

- State Member _____
- Army Member _____
- Navy Member _____
- Ass't State Member _____
- Ass't Army Member _____
- Ass't Navy Member _____
- Executive Secretary _____
- Ass't Exec. Secretary _____
- State Adm. Assistant _____
- Army Adm. Assistant _____
- Navy Adm. Assistant _____

WPA

WPA



CLASSIFICATION CHANGED

To ~~SECRET~~ Authority: Ltr of 5-19-61
from James P. Burke, State Dept.
Name *Catman / Dowling Tello*
Date *Sept 15/1965*

~~TOP SECRET~~

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~~TOP SECRET~~U. S. SECURITY INTERESTS IN GREECE

1. The Ukrainian complaint against Greece in the United Nations, taken together with increasing reports of incidents along the Greek frontier with Bulgaria, Yugoslavia, and Albania, points to a crisis for Greece. If such a crisis arises, it will find Greece in a weakened internal condition due not only to the aftermath of war but also to the activities of an apparently well organized and armed Communist minority, supported by the USSR and Soviet satellites.

2. The strategic importance of Greece to US security lies in the fact that Greece stands alone in the Balkans as a barrier between the USSR and the Mediterranean, in a position similar to that of Turkey farther to the east. In the broader political sense, but with important military implications, there are other important considerations:

a. Greece was an early and courageous opponent to Fascist and Nazi conquest. The fact that she resisted to the end of her strength is widely known along the Soviet perimeter from Finland to Turkey. Likewise, it is known that the clash in Greece is one between the USSR and the western powers, represented principally by Great Britain. If Greece were to fall into the Soviet orbit, there could not fail to be most unfavorable repercussions in all those areas where political sympathies are balanced precariously in favor of the West, and against Soviet Communism.

b. It is to be remembered that U. S. advantage lies in not allowing the ideological struggle now going on in the world to become one between the USSR and the U. S., or one between the USSR and the U. S. and Britain; it must remain one between the USSR and the non-Soviet world. Further, in modern warfare the armed forces of a nation are by no means the full measure of the military strength of the nation; the U. S. is a case in point. It has become a clear and indisputable fact that the military strength of the U. S., if it is to be posed against the USSR, rests in a degree which can hardly be overemphasized on maintaining faith in the U. S. on the part of all key nations not now in the Soviet sphere.

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To ~~SECRET~~ Authority: Ltr of 5-19-61
From James P. Burke, State Dept.
Name: *Catrina A. Dowling*
Date: *Sept 15 1965*

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Greece is an important arena in the contest for favorable world opinion.

3. If in the process of trying to straighten out her own affairs, Greece falls into open civil war, there will certainly be outside intervention on the Communist side, although disguised as to its outside character. Such a condition will face the western powers, particularly Great Britain but also the United States, with difficult decisions as to what support can be given the established government involved in open internal hostilities. Decisions of this nature have been difficult in China, and may become more so. They were impossible in the Spanish Civil War. They may be impossible in Greece. It is vastly to the interest of the United States that the recognized government be assisted in becoming strong enough before the fact to handle its internal problems without requiring a sudden increase in assistance during a state of actual or near civil war.

4. Withdrawal of British forces from Greece, as it progresses, will leave the Greek government with the complex problem of maintaining internal order and protecting her borders under conditions where none of her Soviet-inspired neighbors wish to see her succeed. The stability of the Greek government in such circumstances must be regarded as questionable unless given vigorous external support, including probably support by the United States. If the fall of the Greek government should result in the emergence of a Communist Greece, Soviet encirclement of Turkey will have been enhanced, and Soviet prospects for entering the eastern Mediterranean will have greatly increased.

5. In the current international game of power politics, with the USSR holding the initiative, the US is at a disadvantage in rendering direct support to its friends on the Soviet perimeter. It is not for consideration whether the U. S. can support the Greek government with military force; yet there can be no question that the USSR is giving direct military assistance to elements seeking to cause the fall of that government. An important part of this assistance is the maintenance of large armed forces by the Soviet Union and her satellites in countries

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To SECRET Authority: Ltr of 5-19-61

from James P. Burke, State Dept.

Name Calvin D. BondDate Sept 11 1961~~TOP SECRET~~

~~TOP SECRET~~

contiguous to Greece. This military threat posed against stability in Greece makes somewhat less effective such economic and political assistance as the U. S. has to offer, but, at the same time, it makes more urgent the requirement that the assistance be offered and given now, lest the future become even less propitious than the present.

6. It is in the interest of U. S. security that Greece be supported. The most important assistance which can be given immediately is active political support in the international field -- in the United Nations, at the Paris Conference, and wherever else it can be useful. In addition to political support, there should be economic assistance in the form of liberal and unfettered credits, and direct relief to supplant UNRRA assistance. The United States should make it clear to the world that our desire to see Greece remain independent and in charge of her own affairs is no less firm than our position on Turkey. In Greece, as in Turkey, similar U. S. and British interests assure strong British support and assistance to such policy on the part of the U. S.

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James F.

Dept.

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To SECRET Authority: Ltr of 5-19-61
from James F. Burke, State Dept.
Name Carlton G Dowling NEC
Date Sept 15/1961

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THE UNDER SECRETARY OF THE NAVY
WASHINGTON

November 2, 1945

Memorandum for: The Secretary
State-War-Navy Coordinating Committee

Subject: Navy Member of SWNCC Sub-committee on
the Near and Middle East.

I have designated Captain W. D. Wright, USN,
as Navy member of the SWNCC Sub-committee for the Near and
Middle East vice Rear Admiral C. H. Woodward, USN, relieved.

A. L. Gates

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Seventh Meeting

**STATE-WAR-NAVY COORDINATING SUBCOMMITTEE
FOR THE NEAR AND MIDDLE EAST**

**Minutes of Meeting Held in Room 336,
The State Department Building
on Friday, 19 October 1945, at 1600**

MEMBERS PRESENT

Mr. George V. Allen, State Department, Acting Chairman
Rear Admiral Clark H. Woodward, Navy Department

OTHERS PRESENT

Mr. Joseph C. Satterthwaite, NE
Mr. Andrew G. Lynch, AF
Mr. Lampton Berry, ME
Mr. Darwin J. DeGolia, CP
Mr. Frank S. Coan, CU
Lt. Colonel Harry R. Snyder

SWNCC	
COL. MCCARTHY	.....
COMDR. RICHARDSON	.....
MR. R. E. COX	.....
LT. COL. PENNOYER	.....
LT. COMDR. WEILFUSS	.....
MR. H. W. MOSELEY	.....
MR. J. P. GARDINER	.....
LT. COMDR. ROCKEFELLER	.....
LT. COL. V. F. FIELD	.....
MAJOR W. E. GUNTHER
1ST LT. E. SPITTALL
ENS. F. WHITESIDE
FILE

**EDWIN L. SMITH
Secretary**

(6)

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USE OF AMERICAN VESSELS CONTROLLED BY WAR AND
NAVY DEPARTMENTS FOR THE FURTHERANCE OF
AMERICA NATIONAL INTEREST IN THE NEAR AND
MIDDLE EAST AND AFRICA: TRANSPORTATION OF
FOREIGN STUDENTS

MR. ALLEN stated that the meeting today had been called for the purpose of discussing the paper on the movement of students. He asked Colonel Snyder to state the War Department's views on the subject.

COLONEL SNYDER said that the War Department was of the opinion that it was utterly impossible to undertake to bring students from the NEA area to the United States at this time because of the tremendous backlog of military traffic in that area. He said that the British alone have a backlog of 150,000 men. The War Department therefore will take no action in the matter at present unless it receives a directive from very high authority to furnish the required amount of transportation. Colonel Snyder added that the War Department thinks that by next spring the situation will be greatly improved and that it could undertake to transport the students at that time.

MR. ALLEN asked whether the War Department would continue to control shipping facilities after all of the soldiers have been brought home.

COLONEL SNYDER said that he thought that the turning back of ships to civilian agencies would be gradual and that the War Department still would retain some ships after the troops have been re-deployed. He said that it would be possible to transport the students to the United States now but that to do so would mean that high point military personnel would have to be left in the area and the War Department is under very great pressure from Congress to get these men back without delay.

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MR. COAN said that all of the 400 odd students from India, whom it is desired to bring to the United States before February, 1946, are post-graduate students who have been selected with care and that this was an excellent opportunity to get some very good students from India. He said that a representative of the Indian Government is now in this country making arrangements at some 40 or 50 different universities to take care of the students for the second semester of the present school year. It will prove most embarrassing to this representative of the Indian Government if the students do not arrive in time to enter school then.

MR. BERRY said that if they do not reach this country before the beginning of the second semester they will have to wait one year.

MR. LYNCH said that while the African Division did not minimize the importance of the program for bringing foreign students to the United States for training, it was more interested in repatriating from the West Coast of Africa a number of American citizens who are in bad health.

MR. BERRY said that he thought Mr. Henderson was of the opinion that we should not let the repatriation of American citizens interfere with our long-range cultural relations program. He said that the question of transportation for students was just one phase of the program for the industrialization of India, which is perhaps the greatest program ever undertaken in any country except the Soviet Union.

MR. ALLEN said that there are three categories of persons for whom we want transportation: (1) the soldiers, (2) American citizens who should be repatriated, and (3) foreign students. He said that he thought that there should not be a priority system making it possible

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for soldiers only to obtain transportation but that some persons from each group should be transported.

MR. BERRY said that that is all that the Department is asking for.

COLONEL SNYDER said that in the opinion of the War Department the directive which it has received from the Joint Chiefs of Staff means that all troops must be brought back before anybody else is transported and that this represents the will of Congress.

MR. ALLEN said that in that case he agreed with Mr. Henderson that the matter should be taken up at a very high level. He said that it would be a different thing if the Army had not taken over all of the private shipping.

COLONEL SNYDER said the question was further complicated because the British are asking that their private shipping be returned as soon as possible and that the troops therefore have to be moved while the Army has ships.

MR. DE GOLIA suggested that perhaps some compromise could be worked out and that the War Department would consider starting the students on their way to the United States in December.

COLONEL SNYDER said that he personally thought that this was a bad time to bring up the question and that if it were presented again at a later date the War Department would take a different view.

MR. ALLEN asked Admiral Woodward whether he had inquired concerning any naval vessels which might come over from the area in question.

ADMIRAL WOODWARD said that the Navy Department had no such vessels.

MR. ALLEN suggested that the quickest way to get action on this particular problem would be for the Secretary to bring it up for discussion at a meeting of the Cabinet.

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THE SUBCOMMITTEE decided that:

It would not submit the proposed report to the State-War-Navy Coordinating Committee at present; that in its opinion the best course of action would be for the Secretary to present the problem to the Cabinet; and that it would hold the report in reserve for possible submission to SWNCC at a later date.

SWNCC

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Sixth Meeting

STATE-WAR-NAVY COORDINATING SUBCOMMITTEE
FOR THE NEAR AND MIDDLE EAST

Minutes of Meeting held in Room 332-A,
The State Department Building,
on Wednesday, 26 September 1945, at 1500

MEMBERS PRESENT

- Mr. Loy W. Henderson, State Department, Chairman
- Mr. George V. Allen, State Department
- Rear Admiral Clark H. Woodward, Navy Department
- Mr. Carl McGowan, Navy Department
- Colonel Voris H. Connor, War Department

OTHERS PRESENT

- Mr. Samuel Reber, State Department
- Mr. James K. Penfield, State Department
- Mr. Gordon P. Merriam, State Department
- Mr. Harold B. Minor, State Department
- Mr. Foy D. Kohler, State Department
- Mr. G. Lewis Jones, State Department
- Mr. W. Clyde Dunn, State Department
- Lieutenant Colonel F. E. Schroek, War Department
- Major William E. Gunther, SWNCC

.....	FILE
.....	ENS. F. WHITEIDE
.....	1ST LT. E. SPITALL
.....	MAJOR W. E. GUNTHER
.....	LT. COL. V. F. FIELD
.....	COMDR. ROCKEFELLER
.....	MR. J. P. GARDINER
.....	MR. H. W. MOSELEY
.....	MR. GORDON P. MERRIAM
.....	LT. COL. PENNOYER
.....	MR. R. E. COX
.....	COMDR. RICHARDSON
.....	COL. MCCARTHY
.....	SWNCC

EDWIN L. SMITH
Secretary

.....	SWNCC
.....	COL. MCCARTHY
.....	COMDR. RICHARDSON
.....	MR. R. E. COX
.....	LT. COL. PENNOYER
.....	LT. COMDR. SEILFUSS
.....	MR. H. W. MOSELEY
.....	MR. J. P. GARDINER
.....	LT. COMDR. ROCKEFELLER
.....	LT. COL. V. F. FIELD
.....	MAJOR W. E. GUNTHER
.....	1ST LT. E. SPITALL
.....	ENS. F. WHITEIDE
.....	FILE

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John
HEG.
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SECRETCHANGE IN UNITED STATES CODE (governing assignment of military and naval missions to foreign countries).

MR. HENDERSON opened the meeting by saying that, before proceeding to a discussion of the new draft of the Subcommittee's report to SWNCC concerning the proposal to change the law governing the assignment of military missions to foreign countries, he would like to know whether the Office of European Affairs and the Office of Far Eastern Affairs agree in principle to the proposal.

MR. PENFIELD remarked that President Roosevelt had discussed with Mr. T. V. Soong the question of military missions to China and had suggested that personnel assigned to such missions in China should be placed on inactive status and employed by the Chinese Government.

MR. HENDERSON said that he had discussed the matter with a number of Army officers and that he believed that regular officers would prefer not to go on inactive status because by doing so they lose certain advantages, such as credit for longevity and retirement.

MR. PENFIELD asked whether this could not be taken care of in the Subcommittee's proposed amendment of the law.

ADMIRAL WOODWARD expressed the opinion that an officer on inactive status would have less authority in the eyes of the Chinese than would an officer on active duty.

MR. PENFIELD said that he thought that the purpose of sending officers on the inactive list was for them to get the necessary authority from the Chinese Government.

COLONEL CONNOR said that the President had no authority to order a man on the inactive list to go abroad on such a mission.

MR. ALLEN said that that was true and that if men on the inactive list were to be sent it would be a question of asking for volunteers.