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Mr. Acheson asked just how much agreement had been indicated by the Russians, that is, how much change there really had been in their position since they first proposed last June their convention for the outlawry of the atomic bomb. He was aware of statements which had been made by Stalin, Molotov and others but he wondered whether in the light of Gromyko's most recent statement in the Security Council *whether* ~~they~~ *they* were not really right back where ~~they~~ *they* started from last June.

Senator Acheson
The Senator said the statements which had been made by the Russians were subject to various interpretations. One interpretation was that given by ~~the~~ *Mr. Acheson* ~~Secretary~~. It was clear that there was general agreement on many of the principles contained in the Atomic Energy Commission's Report. There was clear disagreement only with regard to those items on which Gromyko had introduced amendments. We would never know exactly how much agreement we had from the Russians until we layed down a specific proposition and got yes or no answers.

Mr. Forrestal said that the American public misunderstood the gradations of agreement. Assuming that there had been agreement with regard to many matters the American public did not distinguish between the importance of these matters and the importance of other matters upon which agreement had not been reached.

Mr. Sullivan raised the question whether, even assuming that we got agreement on the points at issue, we would have any real guarantee that international control as envisaged would be effective.

The Senator said the only thing specific we had from the Russians was their proposal for a treaty outlawing the bomb which of course did not give us any guarantees.

Mr. Forrestal observed that the American people probably did not understand this point and that perhaps this should be the starting point.

Mr. Peterson asked whether it was agreed that by taking up one part of the whole problem first, our position with regard to any definitive action on the whole problem would be protected.

The Senator made ^{it} clear that it ^{had been} ~~was~~ definitely agreed that agreement to any part of the overall proposals did not imply a commitment to agree to the whole. Each government's position was fully reserved in this respect.

Mr. Acheson said that he leaned towards the Senator's suggestion that we propose taking up first the charter of the international authority. If we started with the Soviet approach of outlawing the bomb, discussion of this subject could go on for months and the United States might be in a negative position vis-a-vis public opinion. ~~The Acting Secretary asked~~ *Mr. Acheson* ~~the~~

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the representatives of the United States Atomic Energy Commission whether it would be feasible to determine in the United Nations Commission the degree of authority required by the international authority without getting into the writing of actual treaty provisions as he had understood the Senator to suggest.

Mr. Lilienthal replied that whichever of the two approaches were followed, it led logically and otherwise to the same point, that is, do we or do we not want to use our knowledge of atomic fission as a source of energy. It was not realized that outlawing the bomb did not stop there. If we were going in for this type of program we would have to outlaw everything, root and branch, that is to say, the plants which made it possible to manufacture the bombs. He said he would want to give some thought to the matter but that he leaned in the direction of attempting to write the charter provisions. In response to a further question by Mr. Acheson, Mr. Lilienthal said that one of the problems would be how to achieve the objective of writing the charter provisions without giving information which it would not be proper to give during this process.

Mr. Sacher commented that he was quite sure that the closer we got to the drafting of detailed provisions the greater would be the vigorous demand from other countries for information which they would consider essential to understand the provisions they were being asked to draft.

Atomic Energy Commission *Senator Austin presented*
~~Mr. Peterson asked for a brief review of historical developments of the~~
~~which Senator Austin gave him.~~ Mr. Peterson then asked whether we had not gained a great deal by the December 31 Report of the Atomic Energy Commission. Senator Austin said he thought we had.

Mr. Peterson asked whether the controls were positive or negative in character as envisaged in the Report.

Mr. Acheson observed that the Report seemed to narrow down the control aspect to a negative police kind of control away from the positive developmental control.

Mr. Sullivan asked whether it is possible technically to accomplish what we are groping for.

Mr. Lilienthal replied that short of international planning design and operation of plants control was not possible.

Mr. Sullivan asked whether ~~assuming~~ ^{assuming} this there would be any point at which operations could be turned over to national control. He had in mind, for example, a remark made earlier by the Senator ^{over} ~~about~~ ^{Austin} ~~possible~~ British concern losing control of atomic energy which might be a vital factor in their economic recovery.

Mr. Lilienthal

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Mr. Lilienthal replied that the output of atomic plants, ~~that is~~ ~~to say~~, for example electricity, could readily be placed under national control. National governments would determine the use to be made of the electricity to be produced by atomic plants. On the other hand, the international authority would probably have to determine the location of atomic plants and it might have differences of opinion with national governments in this respect. The authority would presumably be thinking in terms of international security and economic factors while the national governments might be thinking in terms of national security.

He questioned whether we could submit to this.

Senator Acheson said that,
~~assuming further~~ the most absurd situation, this ^{international control of authority} Commission might suggest to us that we move our atomic plants to very different locations, ~~would we submit to this?~~ Mr. Patterson replied without ~~any~~ ^{and that} ~~hesitation~~ that we could not avoid that, we must submit to this kind of authority. ~~Mr. Lilienthal seemed to agree and there was no objection stated.~~

with

Mr. Sullivan observed that he liked Senator Austin's proposal that we propose in the Atomic Energy Commission as a starting point that consideration be given to the charter of the proposed international authority. Mr. Forrestal indicated that he was coming ^{in general agreement} ~~around~~ to this point of view. *←*

As the discussion had developed it seemed clear that the consensus of opinion in the group favored this approach. A definitive decision was not taken, however, it being tacitly understood that Mr. Joe Johnson's committee would probably prepare a paper on the subject for appropriate clearance. In discussion subsequently with Senator Austin and Mr. Dean Rusk the Senator indicated that he would like to have this done.

Mr. Acheson said that he was in general agreement with this approach. He added that he thought we should not attempt to write final definitive language now but ~~rather~~ instead we should draw up paragraphs outlining what we thought should be contained in a final draft of a charter. This procedure would avoid technical problems and give more time for study.

- cc - Senator Austin
- Mr. Herschel Johnson
- Mr. Cabern
- Mr. Sullivan
- Mr. Rusk
- Mr. Joe Johnson
- Mr. Mosely

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The Senator then posed this problem. Assume an international control authority acting under majority rule. Assume further the most absurd situation, this Authority might suggest to us that we move all our atomic plants to very different locations. Would we submit to this? Mr. Patterson replied without any hesitation that we could not avoid that, we must submit to this kind of authority. Mr. Lillenthal seemed to agree and there was no objection stated.

Mr. Sullivan observed that he liked Senator Austin's suggestion that we propose in the Atomic Energy Commission as a starting point that consideration be given to the charter of the proposed international authority. Mr. Forrestal indicated that he was coming around to this point of view.

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cc - Senator Austin
 Mr. Herschel Johnson
 Mr. Osborn
 Mr. Sullivan
 Mr. Rusk
 Mr. Joe. Johnson
 Mr. Mosely

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 By 020 NARS, Date DEC. 2, 0 1974

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STANDARD FORM NO. 64

Office Memorandum ~~Secret~~ UNITED STATES GOVERNMENT

IS - Mr. Johnson
U - Mr. Gullion
TO : SWNCC - Mr. Mosely ✓
FROM : USDEL - Mr. Ross
DATE: Mar. 28, 1947
SUBJECT: Memorandum dated March 26 from Mr. Ross on meeting of Secretaries of War, Navy, Senator Austin and Mr. Acheson

Will you please substitute the attached page four for the one in Mr. Ross' original memorandum?

The following corrections should be made on page 3 of the memorandum under reference:

Paragraph 2, line 6 - "the plans which" should read "The plants which"

Second line from bottom of page - "British concern over losing" instead of "British concern losing"

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RAC D-6/2

April 2, 1947

EXECUTIVE COMMITTEE
on the
REGULATION OF ARMAMENTS

MEMORANDUM TO THE SECRETARIES
OF
STATE, WAR AND THE NAVY.

The enclosure, a paper entitled, "United States Policy in the United Nations Atomic Energy Commission," was approved by the Executive Committee on the Regulation of Armaments on April 2, 1947. It is forwarded for your consideration.

John C. Elliott
Executive Secretary.

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ENCLOSURE.

United States Policy
in the
United Nations Atomic Energy Commission

THE PROBLEM

1. To determine the policy which the United States should follow with respect to the present phase of the work of the United Nations Atomic Energy Commission, having in mind that the Commission is due to submit a second report to the Security Council in September 1947.

FACTS BEARING ON THE PROBLEM AND DISCUSSION

2. See appendix, page 4.

CONCLUSIONS

3. It is concluded that:

(a) The basic objective of the United States continues to be the establishment of an effective system for international control of atomic energy.

(b) In United Nations discussions of this subject to date, the U.S.S.R. has opposed every element deemed by the United States and the overwhelming majority of the other members of the Atomic Energy Commission to be essential to an effective system of control.

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PROPOSED ALTERNATE:

3.d.

Approved as alternate for 3(d) & 4(c) at meeting of April 3, 1946 (WUM)

No further highly classified information should be disclosed until a treaty is actually in effect. In view of the rapidly changing state of the art, the technical terms of the treaty should be broad, leaving to the international agency responsibility for final definition of such matters as the use of denatured materials in secondary reactors. Reaching "a firm agreement in principle upon the essential elements of an effective system of control" would provide no protection to the United States in view of the known habits of certain other nations of violating such agreements. Even the signing of a treaty would not provide protection. It is for that reason that the American plan provides for turning over further information only after the treaty is signed, and then only by stages as provided in the treaty.

Any requests for further information at this time can properly be answered along the above lines.

PROPOSED ALTERNATE:

4. c.

The United States should endeavor to obtain in informal meetings of Committee No. 2 the widest possible agreement on the functions of the proposed international agency among the other members of the Atomic Energy Commission, including the USSR and Poland but it be understood that tentative agreements will be accepted by majority vote whether or not the USSR or Poland abstain or vote in the negative. If, which seems unlikely, the discussions in Committee No. 2 can go beyond the functions of the International Agency during the next five months such other matters may be taken up having to do with a further definition of the various matters with which the Charter and Treaty will be concerned and on which majority agreement may be reached.

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(c) Therefore, the United States should follow a course which will make explicitly clear in the record of United Nations discussions and to world opinion (1) what these essentials for control are, and (2) that it is the opposition of the U.S.S.R. which prevents progress in reaching agreement on an effective system.

(d) Until firm agreement has been reached in principle upon the essential elements of an effective system of control, it would be contrary to the security interests of the United States (and probably illegal under the McMahon Act) to disclose the highly classified information without which drafting of the key provisions of a treaty would be impossible. Furthermore, to undertake such drafting would open the door for other members of the Commission to make legitimate demands for such information, which the United States could not refuse without embarrassment. In addition, to undertake drafting without such basic agreement would be likely to mislead the American people into an unwarranted optimism.

RECOMMENDATIONS

4. It is recommended that:

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- (a) The above conclusions be approved.
- (b) The Executive Committee on Regulation of Armaments work out with the U. S. Delegation as a matter of urgency (1) those essential elements of the control system on which discussion should be focused in order to bring to light most readily the Soviet unwillingness to agree to an effective system of control, and (2) a tentative order of priority.
- (c) The United States discreetly endeavor to obtain the widest possible agreement to the United States course of action among the other members of the Atomic Energy Commission except the U.S.S.R. and Poland.
- (d) If, as a result of the Working Committee resolution of March 31, it becomes necessary for the United States to participate in the drafting of clauses for inclusion in a draft treaty, the United States should steer the drafting toward those items which do not require the disclosure of classified information.
- (e) This paper be forwarded to the United States Representative on the United Nations Atomic Energy Commission for his guidance.

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April 2, 1947

APPENDIXFACTS BEARING ON THE PROBLEM.

1. On March 10, 1947 the Security Council asked the Atomic Energy Commission to continue studying all phases of the problem of the international control of atomic energy, to develop specific proposals as promptly as possible, and in due course to prepare for submission to the Council a draft treaty or treaties. It also requested a second report before the next session of the General Assembly. On March 19, 1947 the Commission itself decided that its committees should consider the questions arising from the Security Council resolution and particularly questions on which Members of the Commission had not reached agreement. Pursuant to this latter resolution the Commission's Working Committee, which meets in private, resolved on March 31 to consider the points of disagreement outlined in the Soviet statements in the Security Council. The Working Committee further asked Committee 2, which also meets in private, to study the various questions arising from the Security Council and Atomic Energy Commission resolutions and, in particular, such questions as the detailed powers, characteristics and functions of an international control agency, provisions for the transition to the full operation of the international system, and new questions not studied before. These resolutions establish the framework within which United States policy must be carried out.

2. The Commission is renewing its labors against the background of the fact that its first Report of December 31, 1946 was approved by ten of its members, but not by the U.S.S.R. and Poland. Since the submission of that Report, three new members, all of whom apparently accept the basic principles contained in that Report, have joined the Commission. The Soviet Union, whose abstention from voting on the Report gave rise to uncertainty as to its exact attitude, has now indicated, through amendments submitted in February and through Mr. Gromyko's speech of March 5, that none of the fundamental elements of the Report, which was based upon the United States Proposals, are at present acceptable to it.

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3. The past work of the Commission had the effect of focusing public attention primarily on essentially procedural aspects of the problem, such as the scope of inspection and the relationship of the veto to the machinery of sanctions. There has been insufficient attention to the basic elements of the United States' plan, notably the powers and functions of the international control agency.

4. Several nations which voted for the first Report of the Atomic Energy Commission are extremely anxious to promote the earliest possible development of atomic power for peaceful purposes. Their national economic requirements lead them to stress this aspect of the problem much more than does the United States which is chiefly concerned with national and international security.

DISCUSSION

5. It cannot be stated now with absolute certainty that the U.S.S.R. will not within the next six months be prepared to accept a system for the international control of atomic energy which embodies the elements which the United States regards as essential. The issue depends at least in part on developments in the whole complex of Soviet foreign relations, of which the problem of international control of atomic energy is only a part. Nevertheless, there is good ground for believing that the U.S.S.R. is not at present prepared to accept such a system.

6. There is reason to expect that the great majority of the Commission's twelve members will continue to agree to an effective system as its elements are further developed, although it must be recognized that there is a possibility that the United Kingdom, and perhaps France, will differ with the United States on the issue of international control of power-producing reactors. There may be other issues on which the present majority will split, e.g., the ownership and control of raw materials and mining operations.

7. It is of the utmost importance that the American people, and the Governments and peoples of other countries, be convinced.

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- (a) that the United States has been and remains absolutely sincere in its efforts for international control;
- (b) that agreement on the basic elements of the United States proposals is essential to such control;
- (c) that, if any delay in reaching, or any failure to reach, agreement occurs, the responsibility rests upon the U.S.S.R.

8. The United States objectives in the present phase of the United Nations Atomic Energy Commission work should accordingly be:

- (a) to present clearly and concisely the elements which we deem essential to an effective system of international control, with particular reference to the functions and powers of an international authority;
- (b) to attempt to obtain the widest possible agreement on these elements;
- (c) to make it clear that, if, as appears likely, the Soviet Union will not accept these elements, the fault lies with the U.S.S.R.;
- (d) to prepare a firm basis for whatever measures the United States may find it necessary to take in its own interest if and when it becomes clear that agreement on an effective system of international control is not possible.

9. Three possible courses of action which this Government might advocate have been considered. They are not all mutually exclusive:

- (a) To debate the basic differences of principle which the Soviet amendments and Mr. Gromyko's speech of March 5 have shown to exist between the Soviet Union and the overwhelming majority of the Atomic Energy

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Commission's members. The Resolution adopted March 31 by the Commission's Working Committee contemplates discussion of these differences as one of two parts of the Commission's program.

(b) To examine the essential elements of an effective system of international control with the specific objective of developing actual provisions of a treaty. This alternative, which includes the submission of specific proposals of articles in charter language for inclusion in a treaty, has been informally advocated by the United States Delegation in discussions with other delegations.

(c) To focus upon one or more of the elements of the proposed authority's functions and powers which the United States regards as of primary importance. One such function which might be selected would be the control (including ownership, management, and operation) by the international authority of primary reactors.

10. At first glance alternative (b) appears to have advantages. If this course were followed, it is argued, it would be possible to obtain agreement on a large number of charter articles, and because the discussion is taking place in terms of specific legal phraseology, to discover precisely where differences exist and the degree to which it might be possible to reconcile them. It is also argued that this course would permit the preparation of a treaty to which all could agree except the U.S.S.R. and Poland, and which could then be laid upon the table for signature at any time the U.S.S.R. is ready to sign.

11. These advantages are, however, offset by two major considerations:

(a) It would be impossible to enter a discussion of specific treaty language on key provisions without raising the question of the disclosure of highly classified information. Other delegations might legitimately contend that in the absence of the necessary

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information they could not agree to specific provisions even though all agreements would be subject to review on an overall basis. For example, treaty provisions for the control of reactors to be used as sources of power could probably not be agreed to by a nation which had no more knowledge of "denaturants" than is now public. The security provisions of the McMahon Act and the security requirements of the United States would not allow the release of such information. Further release of information could be justified only if firm agreement on principle already existed to a degree which would warrant the United States in taking the risk involved in any release of information.

(b) To attempt under present circumstances to focus discussion on provisions of an actual charter would almost certainly be to mislead the American public into believing that fundamental differences had been reconciled and that the United Nations Commission was now attacking the problems of organization and operation of the control authority.

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Summary of Principal Subjects to be Incorporated
in Specific Proposals for the International Con-
trol of Atomic Energy

- A. Subjects required to establish the initial framework of a draft treaty or convention. (many of these subjects might be discussed concurrently)
1. Definition of terms to be used in the treaty.
 2. Operational and developmental functions of the international agency.
 - a. Functions of the international agency in relation to research and developmental activities.
 - b. Functions of the international agency in relation to location and mining of ores.
 - c. Functions of the international agency in relation to processing and purification of source material.
 - d. Functions of the international agency in relation to stockpiling, production and distribution of nuclear fuels.
 - e. Functions of the international agency in relation to design, construction and operation of isotope separation plants and primary reactors.
 - f. Functions of the international agency in relation to design, construction and operation of secondary reactors.
 - g. Functions of the international agency in planning, coordination and direction of atomic activities.

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- h. Rights of and limitations on the Agency and its personnel in respect to inspection, operation and other control functions.
- 3. Organization and administration of the international agency.
 - a. Organizational structure.
 - b. Relations to other organs of the United Nations to other international agencies, and to national states.
 - c. Status of the agency and its personnel in its operations within national states.
 - d. Definition of types of operating decisions subject to review and those not subject to review.
 - e. Determination of review body or bodies and of principles governing review.
- B. Subjects which can only be discussed effectively in the framework of decisions reached on subjects listed in A. above.
 - 1. Principles Governing Geographical Location of Dangerous Activities and Stockpiling.
 - 2. Financial and budgetary organization.
 - a. Determination of sources of funds and types of expenditures.
 - b. Estimates of financial burden to be borne by individual nations.
 - c. Principles governing allocation of expenses to individual nations.

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- d. Principles governing financing of both facilities owned and facilities not owned by the Agency.
3. Prohibitions and Enforcement.
 - a. Definition of individual and national prohibitions.
 - b. Examination of the nature of direct international jurisdiction over individuals and the principles governing the application of individual punishments.
 - c. Examination of the problems related to the application of sanctions against nations, including the "veto" problem.
 - (1) Method of determining violations.
 - (2) Application of economic and other non-military sanctions by the agency and by other organizations.
 - (3) Application of military sanctions.
 4. Examination of the stages by which transition will be accomplished from conditions of national control to the final conditions of predominantly international control.

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MINUTES
MEETING OF THE SECRETARIES OF STATE, WAR AND NAVY
MARCH 26, 1947 -- 10:30 a.m.

PRESENT

STATE

ACTING SECRETARY ACHESON
 MR. JOHNSON
 MR. ALLEN
 Mr. Hoesley (SEWOC), Recorder

WAR

SECRETARY PATTERSON
 ASST. SECRETARY PETERSEN
 COL. HAMILTON

NAVY

SECRETARY FORRESTAL
 UNDER SECRETARY SULLIVAN
 REAR ADMIRAL WOOLDRIDGE

U. S. DELEGATION TO UNITED NATIONS

SENATOR AUSTIN
 MR. ROSS

U. S. ATOMIC ENERGY COMMISSION

MR. LILIENTHAL
 MR. BACHER

I. U. S. Position on International Atomic Energy Control.

Decision:

General agreement that the U. S. representative should first introduce for the consideration of the Atomic Energy Commission a draft charter of an international atomic energy control agency proposing in general outline its form, status, functions, etc.

Implementing Action:

Further study to be undertaken of the details of this approach. (It is assumed that this study will be undertaken by the Executive Committee on the Regulation of Arsenals and by SENATOR AUSTIN'S staff.)

Discussion:

MR. ACHESON said that the purpose of the meeting was to hear SENATOR AUSTIN, the U. S. Delegate to the United Nations. He said that MR. LILIENTHAL and MR. BACHER of the U. S. Atomic Energy Commission had been invited to attend.

SENATOR AUSTIN said that the Security Council had referred back to the Atomic Energy Commission the Commission's report of December 31, 1946, with a request that it prepare specific proposals to be presented to the Council for the next meeting of the General Assembly in September. He said that the Commission was beginning its work and that it was desirable for the U. S. Delegation to know what we should propose for the initial discussion. He said that the United States Delegation needed advice from the political, security and legal angle with respect to U. S. strategy in this connection, and that this question should be approached from the standpoint of considering what would best promote the progress of the plan as a whole.

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SENATOR AUSTIN outlined what seemed to be the present position of the various members of the Atomic Energy Commission. It seemed likely that the Russians would press for prohibition and outlawry of the atomic bomb. The British seemed inclined to take the easiest matters first. The Canadians seem to feel that any approach would be better than the Russian approach. The French seem to feel that it would be best to proceed by easy stages.

SENATOR AUSTIN said that he was not asking for an immediate decision. He wanted to lay a suggestion on the table for an exchange of views and later decisions, namely, would it be desirable for the United States to propose as the starting point the charter of the proposed international control agency, that is, the organization and functions of this agency. In this connection SENATOR AUSTIN referred to Chapter 2 of a treaty outline which had been prepared by Mr. Ingraham of Mr. Faby's staff. (RAC-D/L; Tentative Outline Plan of a Treaty or Convention for the Control and Development of Atomic Energy.)

SENATOR AUSTIN said that at the Assembly Meeting last fall the Russians had changed their position from one of favoring strict national control to favoring a form of international control. He said that the Russians had indicated that they were against unlimited international control. In this sense their position was not illogical. No country would accept unlimited control beyond the needs of the situation, that is, reaching into the whole economic life of a country beyond the control of atomic energy plants.

MR. ACHESON asked just how much agreement had been indicated by the Russians, that is, how much change there really had been in their position since they first proposed last June their convention for the outlawry of the atomic bomb. He was aware of statements which had been made by Stalin, Molotov and others but he wondered whether in the light of Gromyko's most recent statement in the Security Council whether they were not really right back where they started from last June.

SENATOR AUSTIN said the statements which had been made by the Russians were subject to various interpretations. One interpretation was that given by MR. ACHESON. It was clear that there was general agreement on many of the principles contained in the Atomic Energy Commission's Report. There was clear disagreement only with regard to those items on which Gromyko had introduced amendments. We would never know exactly how much agreement we had from the Russians until we layed down a specific proposition and got yes or no answers.

MR. FORRESTAL said that the American public misunderstood the gradations of agreement. Assuming that there had been agreement with regard to many matters the American public did not distinguish between the importance of these matters and the importance of other matters upon which agreement had not been reached.

MR. SULLIVAN raised the question whether, even assuming that we get agreement on the points at issue, we would have any real guarantee that international control as envisaged would be effective.

SENATOR AUSTIN said the only thing specific we had from the Russians was their proposal for a treaty outlawing the bomb which of course did not give us any guarantee.

MR. FORRESTAL observed that the American people probably did not understand this point and that perhaps this should be the starting point.

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MR. PETERSEN asked whether it was agreed that by taking up one part of the whole problem first, our position with regard to any definitive action on the whole problem would be protected.

SENATOR AUSTIN made it clear that it had been definitely agreed that agreement to any part of the overall proposals did not imply a commitment to agree to the whole. Each government's position was fully reserved in this respect.

MR. ACHESON said that he leaned towards the SENATOR'S suggestion that we propose taking up first the charter of the international authority. If we started with the Soviet approach of outlawing the bomb, discussion of this subject would go on for months and the United States might be in a negative position vis-a-vis public opinion. MR. ACHESON asked the representative of the United States Atomic Energy Commission whether it would be feasible to determine in the United Nations Commission the degree of authority required by the international authority without getting into the writing of actual treaty provisions as he had understood the SENATOR to suggest.

MR. LILIENTHAL replied that whichever of the two approaches were followed, it led logically and otherwise to the same point, that is, do we or do we not want to use our knowledge of atomic fission as a source of energy. It was not realized that outlawing the bomb did not stop there. If we were going in for this type of program we would have to outlaw everything, root and branch, that is to say, the plants which made it possible to manufacture the bomb. He said he would want to give some thought to the matter but that he leaned in the direction of attempting to write the charter provisions. In response to a further question by MR. ACHESON, MR. LILIENTHAL said that one of the problems would be how to achieve the objective of writing the charter provisions without giving information which it would not be proper to give during this process.

MR. BACHER commented that he was quite sure that the closer we get to the drafting of detailed provisions the greater would be the vigorous demand from other countries for information which they would consider essential to understand the provisions they were being asked to draft.

SENATOR AUSTIN presented a brief review of historical developments of the Atomic Energy Commission. MR. PATTERSON then asked whether we had not gained a great deal by the December 31, Report of the Atomic Energy Commission. SENATOR AUSTIN said he thought we had.

MR. PETERSEN asked whether the controls were positive or negative in character as envisaged in the Report.

MR. ACHESON observed that the Report seemed to narrow down the control aspect to a negative police kind of control away from the positive developmental control.

MR. SULLIVAN asked whether it is possible technically to accomplish what we are groping for.

MR. LILIENTHAL replied that short of international planning design and operation of plants control was not possible.

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which operations could be turned over to national control. He had in mind, for example, a remark made earlier by SENATOR AUSTIN about possible British concern over losing control of atomic energy which might be a vital factor in their economic recovery.

MR. LILIENTHAL replied that the output of atomic plants, for example electricity, could readily be placed under national control. National governments would determine the use to be made of the electricity to be produced by atomic plants. On the other hand, the international authority would probably have to determine the location of atomic plants and it might have differences of opinion with national governments in this respect. The authority would presumably be thinking in terms of international security and economic factors while the national governments might be thinking in terms of national security.

SENATOR AUSTIN said that, assuming the most absurd situation, this international control authority might suggest to us that we move our atomic plants to very different locations. He questioned whether we could submit to this. MR. PATTERSON replied that we could not avoid this kind of authority if an international control agency with full powers should be established.

MR. SULLIVAN observed that he liked SENATOR AUSTIN'S proposal that we propose in the Atomic Energy Commission as a starting point that consideration be given to the charter of the proposed international authority. MR. FORRESTAL indicated that he was in general agreement with this point of view. MR. ACHESON said that he was in general agreement with this approach. He added that he thought we should not attempt to write final definitive language now but instead we should draw up paragraphs outlining what we thought should be contained in a final draft of a charter. This procedure would avoid technical problems and give more time for study.

II. U. S. Representatives on the Military Staff Committee of the United Nations.

Decision:
None.

Implementing Action:

Secretaries of War and Navy to give consideration to the number and specialized qualifications of the Army and Navy representatives on the Military Staff Committee.

Discussion:

SENATOR AUSTIN described the difficulties he was encountering in housing the U. S. Delegation to the Military Staff Committee which numbered 104. He added that he would also like to have officers available who are qualified to act as consultants to the U. S. Delegates to the General Disarmament Commission and the Atomic Energy Commission.

MR. PATTERSON and MR. FORRESTAL said that they would take this matter under advisement.

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III. Selection of Individual for Chief of Reconstruction Mission to Greece.

Decisions:

None.

Implementing Actions:

Secretaries of War and Navy to give further consideration to selection of individual to head the mission to Greece.

Discussion:

MR. ACHESON said that Senator Vandenberg had indicated that there should be one man to head the Greek Relief and Reconstruction Mission to Greece, and that the Senator wanted this individual to be confirmed by the Senate. MR. ACHESON said that he was agreeable to this suggestion and that General William Harrison had been mentioned as a likely choice.

MR. PATTERSON and MR. FORBES said that they would give further thought to the selection of such an individual.

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MINUTES
MEETING OF THE SECRETARIES OF STATE, WAR AND NAVY
MARCH 26, 1947 -- 10:30 a.m.

PRESENT

<u>STATE</u>	<u>WAR</u>	<u>NAVY</u>
ACTING SECRETARY ACHESON	SECRETARY PATTERSON	SECRETARY FORESTAL
MR. JOHNSON	ASST. SECRETARY PETERSEN	UNDER SECRETARY SULLIVAN
MR. ALLEN	COL. HAMILTON	REAR ADMIRAL WOOLBRIDGE
Mr. Hossley (SBNOC), Recorder		

U. S. DELEGATION TO UNITED NATIONS

SENATOR AUSTIN
 MR. ROSS

U. S. ATOMIC ENERGY COMMISSION

MR. LILIENTHAL
 MR. BACHER

I. U. S. Position on International Atomic Energy Control.

Decision:

General agreement that the U. S. representative should first introduce for the consideration of the Atomic Energy Commission a draft charter of an international atomic energy control agency proposing in general outline its form, status, functions, etc.

Implementing Action:

Further study to be undertaken of the details of this approach. (It is assumed that this study will be undertaken by the Executive Committee on the Regulation of Armaments and by SENATOR AUSTIN'S staff.)

Discussion:

MR. ACHESON said that the purpose of the meeting was to hear SENATOR AUSTIN, the U. S. Delegate to the United Nations. He said that MR. LILIENTHAL and MR. BACHER of the U. S. Atomic Energy Commission had been invited to attend.

SENATOR AUSTIN said that the Security Council had referred back to the Atomic Energy Commission the Commission's report of December 31, 1946, with a request that it prepare specific proposals to be presented to the Council for the next meeting of the General Assembly in September. He said that the Commission was beginning its work and that it was desirable for the U. S. Delegation to know what we should propose for the initial discussion. He said that the United States Delegation needed advice from the political, security and legal angle with respect to U. S. strategy in this connection, and that this question should be approached from the standpoint of considering what would best promote the progress of the plan as a whole.

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SENATOR AUSTIN outlined what seemed to be the present position of the various members of the Atomic Energy Commission. It seemed likely that the Russians would press for prohibition and outlawry of the atomic bomb. The British seemed inclined to take the easiest matters first. The Canadians seem to feel that any approach would be better than the Russian approach. The French seem to feel that it would be best to proceed by easy stages.

SENATOR AUSTIN said that he was not asking for an immediate decision. He wanted to lay a suggestion on the table for an exchange of views and later decisions, namely, would it be desirable for the United States to propose as the starting point the charter of the proposed international control agency, that is, the organization and functions of this agency. In this connection SENATOR AUSTIN referred to Chapter 2 of a treaty outline which had been prepared by Mr. Ingraham of Mr. Fahy's staff. (SAC-D/1; Tentative Outline Plan of a Treaty or Convention for the Control and Development of Atomic Energy.)

SENATOR AUSTIN said that at the Assembly Meeting last fall the Russians had changed their position from one of favoring strict national control to favoring a form of international control. He said that the Russians had indicated that they were against unlimited international control. In this sense their position was not illogical. No country would accept unlimited control beyond the needs of the situation, that is, reaching into the whole economic life of a country beyond the control of atomic energy plants.

MR. ACHESON asked just how much agreement had been indicated by the Russians, that is, how much change there really had been in their position since they first proposed last June their convention for the outlawry of the atomic bomb. He was aware of statements which had been made by Stalin, Malenkov and others but he wondered whether in the light of Gromyko's most recent statement in the Security Council whether they were not really right back where they started from last June.

SENATOR AUSTIN said the statements which had been made by the Russians were subject to various interpretations. One interpretation was that given by MR. ACHESON. It was clear that there was general agreement on many of the principles contained in the Atomic Energy Commission's Report. There was clear disagreement only with regard to those items on which Gromyko had introduced amendments. We would never know exactly how much agreement we had from the Russians until we layed down a specific proposition and got yes or no answers.

MR. FORRESTAL said that the American public misunderstood the gradations of agreement. Assuming that there had been agreement with regard to many matters the American public did not distinguish between the importance of these matters and the importance of other matters upon which agreement had not been reached.

MR. SULLIVAN raised the question whether, even assuming that we get agreement on the points at issue, we would have any real guarantee that international control as envisaged would be effective.

SENATOR AUSTIN said the only thing specific we had from the Russians was their proposal for a treaty outlawing the bomb which of course did not give us any guarantees.

MR. FORRESTAL observed that the American people probably did not understand this point and that perhaps this should be the starting point.

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MR. PETERSEN asked whether it was agreed that by taking up one part of the whole problem first, our position with regard to any definitive action on the whole problem would be protected.

SENATOR AUSTIN made it clear that it had been definitely agreed that agreement to any part of the overall proposals did not imply a commitment to agree to the whole. Each government's position was fully reserved in this respect.

MR. ACHESON said that he leaned towards the SENATOR'S suggestion that we propose taking up first the charter of the international authority. If we started with the Soviet approach of outlawing the bomb, discussion of this subject could go on for months and the United States might be in a negative position vis-a-vis public opinion. MR. ACHESON asked the representatives of the United States Atomic Energy Commission whether it would be feasible to determine in the United Nations Commission the degree of authority required by the international authority without getting into the writing of actual treaty provisions as he had understood the SENATOR to suggest.

MR. LILIENTHAL replied that whichever of the two approaches were followed, it led logically and otherwise to the same point, that is, do we or do we not want to use our knowledge of atomic fission as a source of energy. It was not realized that outlawing the bomb did not stop there. If we were going in for this type of program we would have to outlaw everything, root and branch, that is to say, the plants which made it possible to manufacture the bomb. He said he would want to give some thought to the matter but that he leaned in the direction of attempting to write the charter provisions. In response to a further question by MR. ACHESON, MR. LILIENTHAL said that one of the problems would be how to achieve the objective of writing the charter provisions without giving information which it would not be proper to give during this process.

MR. BACHER commented that he was quite sure that the closer we got to the drafting of detailed provisions the greater would be the vigorous demand from other countries for information which they would consider essential to understand the provisions they were being asked to draft.

SENATOR AUSTIN presented a brief review of historical developments of the Atomic Energy Commission. MR. PATTERSON then asked whether we had not gained a great deal by the December 31, Report of the Atomic Energy Commission. SENATOR AUSTIN said he thought we had.

MR. PETERSEN asked whether the controls were positive or negative in character as envisaged in the Report.

MR. ACHESON observed that the Report seemed to narrow down the control aspect to a negative police kind of control away from the positive developmental control.

MR. SULLIVAN asked whether it is possible technically to accomplish what we are groping for.

MR. LILIENTHAL replied that short of international planning design and operation of plants control was not possible.

MR. SULLIVAN asked whether assuming this there would be any point at

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which operations could be turned over to national control. He had in mind, for example, a remark made earlier by SENATOR AUSTIN about possible British concern over losing control of atomic energy which might be a vital factor in their economic recovery.

MR. LILIENTHAL replied that the output of atomic plants, for example electricity, could readily be placed under national control. National governments would determine the use to be made of the electricity to be produced by atomic plants. On the other hand, the international authority would probably have to determine the location of atomic plants and it might have differences of opinion with national governments in this respect. The authority would presumably be thinking in terms of international security and economic factors while the national governments might be thinking in terms of national security.

SENATOR AUSTIN said that, assuming the most absurd situation, this international control authority might suggest to us that we move our atomic plants to very different locations. He questioned whether we could submit to this. MR. PATTERSON replied that we could not avoid this kind of authority if an international control agency with full powers should be established.

MR. SULLIVAN observed that he liked SENATOR AUSTIN'S proposal that we propose in the Atomic Energy Commission as a starting point that consideration be given to the charter of the proposed international authority. MR. FORRESTAL indicated that he was in general agreement with this point of view. MR. ACHESON said that he was in general agreement with this approach. He added that he thought we should not attempt to write final definitive language now but instead we should draw up paragraphs outlining what we thought should be contained in a final draft of a charter. This procedure would avoid technical problems and give more time for study.

II. U. S. Representatives on the Military Staff Committee of the United Nations.

Decision: None.

Implementing Action:

Secretaries of War and Navy to give consideration to the number and specialized qualifications of the Army and Navy representatives on the Military Staff Committee.

Discussion:

SENATOR AUSTIN described the difficulties he was encountering in housing the U. S. Delegation to the Military Staff Committee which numbered 104. He added that he would also like to have officers available who are qualified to act as consultants to the U. S. Delegates to the General Disarmament Commission and the Atomic Energy Commission.

MR. PATTERSON and MR. FORRESTAL said that they would take this matter under advisement.

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III. Selection of Individual for Chief of Reconstruction Mission to Greece.

Decision:

None.

Implementing Action:

Secretaries of War and Navy to give further consideration to selection of individual to head the mission to Greece.

Discussion:

MR. ACHESON said that Senator Vandenberg had indicated that there should be one man to head the Greek Relief and Reconstruction Mission to Greece, and that the Senator wanted this individual to be confirmed by the Senate. MR. ACHESON said that he was agreeable to this suggestion and that General William Harrison had been mentioned as a likely choice.

MR. PATTERSON and MR. FORNISTAL said that they would give further thought to the selection of such an individual.

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A BILL

To carry out the responsibilities and obligations
of the United States in Korea

WHEREAS the President of the United States, Generalissimo Chiang Kai-shek, and Prime Minister Churchill agreed at Cairo on December 1, 1943, that "in due course Korea shall become free and independent," and the President of the United States, the President of the National Government of the Republic of China and the Prime Minister of Great Britain agreed on July 26, 1945, at Potsdam, that "the terms of the Cairo Declaration shall be carried out," to which agreement the Union of Soviet Socialist Republics adhered on August 8, 1945; and

WHEREAS the Japanese Government accepted in the Terms of Surrender on September 2, 1945, the provisions set forth in the Potsdam Declaration of July 26, 1945, and has ceased to exercise any authority in Korea, where the United States forces have been in occupation south of 38 degrees north latitude since September 8, 1945; and

WHEREAS the President of the United States declared on September 18, 1945, that "The building of a great nation has now begun with the assistance of the United States, China, Great Britain and the Soviet Union who are agreed that Korea will become free and independent;" and

WHEREAS at a meeting in Moscow in December 1945 the Ministers of Foreign Affairs of the Union of Soviet Socialist Republics, the United Kingdom and the Secretary of State of the United States of America agreed to the establishment of a Soviet-United States Joint Commission to assist the formation of a provisional Korean government and to work out measures for the development of democratic self-government and the establishment of the national independence of Korea; and

WHEREAS this Joint Commission was unable to reach agreement in regard to its procedures and adjourned sine die on May 8, 1946, without having accomplished the purposes set forth in the Moscow Declaration; and

WHEREAS the United States of America, by virtue of its above-mentioned declarations, has undertaken to promote the establishment of a United Korea with an independent and democratic government;

Therefore -

Be it enacted

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relief and Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is authorized to be appropriated to the President not to exceed \$540,000,000 to carry out, notwithstanding the provisions of any other law, the responsibilities and obligations of the United States in Korea, including the provision of economic assistance, training and education, and the taking of such other measures as may be necessary to promote the establishment of a stable economy and a free and independent government for Korea, and for any necessary expenses, including administrative expenses, incident thereto.

SEC. 2. The authority contained in this Act shall expire on June 30, 1950, except to the extent that funds herein authorized to be appropriated shall be required subsequent to June 30, 1950 for necessary administrative expenses incident to the liquidation of the activities undertaken prior to June 30, 1950 in accordance with the provisions of this Act.

SEC. 3. The President may allocate sums from the appropriations made pursuant to Section 1 for any of the purposes of this Act to any department, agency, or independent establishment of the Government. Any sums so allocated shall be available as advancement or reimbursement, and shall be credited, at the option of the department, agency, or independent establishment concerned, to appropriate appropriations, funds or accounts existing or established by it for the purpose. Whenever any portion of any such allocation is used as reimbursement, the amount of reimbursement shall be available for entering into contracts and other uses during the fiscal year in which the reimbursement is received and the ensuing year.

SEC. 4. No part of the appropriations authorized by this Act shall be used in any manner for that part of Korea north of 38 degrees north latitude unless the President determines that the economic and political unification of the two areas of Korea located north and south, respectively, of the 38 degree parallel has been accomplished or would be thereby promoted.

SEC. 5. The President shall submit to the Congress ^{annual} reports of expenditures and activities under authority of this Act.

SEC. 6. The President may from time to time prescribe such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act; and he may exercise any power or authority conferred upon him pursuant to this Act through such department, agency, independent establishment, or officer of the Government as he shall direct.

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MINUTES
MEETING OF THE SECRETARIES OF STATE, WAR AND NAVY
APRIL 3, 1947 - 3:00 P.M.

PRESENT

STATE

ACTING SECRETARY ACHESON
 MR. JUMBDON
 MR. ALLEN
 Mr. Moseley (SWHOC), Recorder

WAR

SECRETARY PATTERSON
 ASST. SECRETARY PETERSEN
 COL. HAMILTON

NAVY

SECRETARY FORRESTAL
 UNDER SECRETARY SULLIVAN
 REAR ADMIRAL WOOLDRIDGE

U. S. DELEGATION TO UNITED NATIONS

MR. OSBORN SENATOR AUSTIN
 MR. BOGS

U. S. ATOMIC ENERGY COMMISSION

MR. LILIENTHAL
 MR. MAUS

I. U. S. Position on International Atomic Energy Control

Decision:

General approval of the memorandum of the Executive Committee on the Regulation of Armaments entitled "United States Policy in the United Nations Atomic Energy Commission" RAC D-6/2, as amended by MR. OSBORN'S proposed alternates to paragraph 3 (d) and paragraph 4 (c). It was further agreed that the entire memorandum should be revised where necessary by the Executive Committee on the Regulation of Armaments to bring the memorandum in line with the tenor of MR. OSBORN'S amendments.

Implementing Action:

The Executive Committee on the Regulation of Armaments to amend RAC D-6/2 to bring it in line with MR. OSBORN'S amendments.

Discussion:

MR. ACHESON said the purpose of the Meeting was to consider the next course of procedure that the United States representatives on the United Nations Atomic Energy Commission should follow in the work that is being undertaken by that Commission. He said that the Executive Committee on the Regulation of Armaments had proposed in RAC D-6/2 a somewhat different approach from that which had been agreed upon at the last Meeting when SENATOR AUSTIN was present. He then asked SENATOR AUSTIN and MR. OSBORN for their views with respect to the program set forth in this memorandum.

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SENATOR AUSTIN said that there was much in this memorandum that he disapproved. He stated that he did not like the defeatist tone of the memorandum, that we should not assume at the beginning that we cannot make any progress or gain toward international control of atomic energy, and that it is not proper to assume that Russia is not agreed to any of the fundamental principles of control. He added that we should not create a block against the Russians but that rather we should try to work with Russia and Poland as we did the other Members of the Commission. He said that we must have faith that we can reach an agreement with Russia and all countries on this all important matter.

MR. OSBORN said that he did not share SENATOR AUSTIN'S optimism in the same degree, but he did share his views on what should be done to correctly approach this problem. He said that we must give the Russian's a forum where they can discuss their grievances and he pointed out that the Commission has already agreed to the French proposal that the Russian amendments will be considered. He added that we must go along with the British and other Members in defining the functions of a control agency; otherwise we will be placed in a position of obstructing progress.

MR. OSBORN said that the Working Committee of the Commission has asked Committee 2 of the Commission to study such questions as the detailed powers, characteristics and functions of an international control agency.

MR. OSBORN said that by starting with specific functional proposals we would not only make better progress towards the final goal but we would pin the Russians down to specific points and thus get their definite views. He said that we could present our arguments and proposed definitions for these functions, but that our proposals would be of a general nature and that it would not be necessary to provide any further technical information.

SENATOR AUSTIN said that he was in agreement with MR. OSBORN'S views in this connection. He said that so far all we have is agreement on certain general principles, but that by introducing specific proposals as to functions and definitions as to inspection we should be able to bring out the concrete Russian viewpoint. SENATOR AUSTIN reiterated his previous point that we must face this problem with courage and not with a defeatist viewpoint; that we must start with a sound constructive program and that in this way we will accomplish most.

MR. OSBORN said that we must seek a water-tight treaty which will prevent national rivalries, and that the only possible way of getting the Russian's to agree to such a treaty is to develop a treaty with which we and all other Members of the Commission agreed. Once we do define such a treaty and obtain agreement of the other Members to it, our hope then would be that events will take place which will force the Russians to change their policy and agree to this treaty.

MR. PATTERSON said that he was in agreement with MR. OSBORN in this connection. He added that he agreed that our hope for a reversal of Russian policy depends upon the ruling clique being eliminated or other major changes taking place in the world situation. He added that he believed that the present Russian Delegation undoubtedly were acting under instructions to stall in all considerations on this subject.

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MR. ACHESON said that he believed that we should try to concentrate on essential points of international control so that at the end of our work we would know where we did or did not agree, and at least we would have made progress up to this point.

MR. OSBORN introduced two proposed alternate paragraphs for paragraph 3(d) and 4(e) of the Executive Committee's memorandum which outlined an approach more in line to his previously stated views. MR. LILIENTHAL said that he understood that MR. OSBORN proposed to only draft the purposes of the functions of an international control agency, and not get into the technical terms which would be necessary for treaty drafting or for a legalistic approach to the problem. MR. OSBORN said that MR. LILIENTHAL'S understanding was correct, and that proposals and discussions in the Commission would go no further than information already released would allow them.

MR. OSBORN also distributed for the information of the Members a "Summary of Principal Subjects to be incorporated in Specific Proposals for the International Control of Atomic Energy." He said that he anticipated that the first five months work in the Commission would be devoted to the items on the first page of this Summary which were the operational and developmental functions of the international agency and a definition of terms to be used in the treaty.

MR. FORRESTAL said that he was concerned that the public may misinterpret discussion of control provisions in the Atomic Energy Commission for progress. He added that great care must be exercised that the public is properly informed in this connection.

MR. ACHESON asked for the views of the other Members to MR. OSBORN'S proposed amendments to paragraphs 3(d) and 4(e) of the memorandum of the Executive Committee on Regulation of Armaments, stating that he was in general agreement with them and that he felt the entire memorandum should be modified to bring it in line with the thoughts and principles set forth in MR. OSBORN'S amendments. MR. FORRESTAL and MR. PATTERSON said that they were in agreement with MR. ACHESON in this connection.

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SUPPLEMENT

MINUTES

MEETING OF THE SECRETARIES OF STATE, WAR, AND NAVY
APRIL 1, 1950 D. C.

II. Proposal Regarding U. S. Position on Conventional Armaments.

Decisions:

None

Implementing Action:

Paper on this subject introduced by Senator Austin to be referred to the Executive Committee on the Regulation of Armaments for study.

Discussion:

SENATOR AUSTIN read a memorandum which he had received from Wilder Foote dated April 1, suggesting that we abandon our "present defensive negative strategy" and "formulate and publicize a constructive positive, specific proposal on conventional armaments". The Senator said that he would appreciate having this proposal very carefully studied, indicating that he agreed with the approach indicated.

MR. FORRESTAL said that he agreed in principle to this proposal but reiterated his warning about misleading the public.

MR. PATTERSON said that this proposal sounded reasonable but that he would like to be assured that any such proposal we might develop would emphasize at the outset in bold type that conclusion of the peace treaties and the provision of implementing machinery were prerequisites of any reduction of conventional armaments.

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MINUTES
MEETING OF THE SECRETARIES OF STATE, WAR AND NAVY
APRIL 2, 1947 - 3:00 P.M.

PRESENT

STATE

ACTING SECRETARY ACHESON
 MR. JOHNSON
 MR. ALLEN
 Mr. Heseley (SWNCC), Recorder

WAR

ASST. SECRETARY PETERSEN
 COL. HAMILTON

NAVY

SECRETARY FORRESTAL
 UNDER SECRETARY SULLIVAN
 REAR ADMIRAL WOOLDRIDGE

U. S. DELEGATION TO UNITED NATIONS

MR. ROSS

U. S. ATOMIC ENERGY COMMISSION

MR. LILIENTHAL
 MR. MARKS

I. U. S. Position on International Atomic Energy Control

Decisions:

Agreement that consideration would be deferred until the Committee could meet with Senator Austin who is expected to be in Washington the next day.

Implementing Action:

None.

Discussion:

MR. ACHESON distributed a memorandum prepared by the Executive Committee on the Regulation of Armaments entitled "United States Policy in the United Nations Atomic Energy Commission". He said that this memorandum proposes a different approach from that which was generally agreed upon at the last Meeting of the Committee of Three, when it was determined that the United States representatives should first introduce for the consideration of the Atomic Energy Commission a draft charter of an international control agency proposing in general outline its form, status, functions, etc. MR. ACHESON pointed out that the memorandum of the Executive Committee recommended that the United States should follow a course which will make explicitly clear in the record of United Nations discussions and to world opinion (1) what the essentials for control are, and (2) that it is the opposition of the U.S.S.R. which prevents progress in reaching agreement on an effective system. MR. PETERSEN said that the War Department was in general agreement with the conclusions and recommendations of this memorandum. MR. FORRESTAL said that the position set forth in the memorandum was also agreeable to the Navy.

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By *CXB* NARS, Date DEC 20 1974

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MR. SULLIVAN said that the second sentence of paragraph 3(d) on page 2 should have added to it a statement to the effect that the United States could not comply legally with demands of the other Members of the Commission for atomic energy information. MR. JOHNSON invited MR. SULLIVAN'S attention to the parenthetical phrase in the first sentence of paragraph 3(d) which refers to the illegality of releasing information, but stated that he agreed that this phrase or a similar one might best be placed at the end of the second sentence of paragraph 3(d) as suggested by MR. SULLIVAN.

MR. LILIENTHAL said that if we attempted to draft a treaty, we might well be put in a difficult position as we would be unable to supply certain information necessary for the drafting of the key provisions of such a treaty.

MR. FORRESTAL said that we must be careful that the public does not misinterpret discussion on this subject for actual progress.

[After discussion was completed on this item, MR. LILIENTHAL, MR. MARKS, MR. JOHNSON, MR. ROSS and COLONEL HAMILTON left the Meeting]

II. Message from Secretary Marshall Regarding the Program for Aid to Greece and Turkey

MR. ACHESON recalled that at a previous meeting the three Members asked that he obtain SECRETARY MARSHALL'S reaction to the Greeko-Turkish Aid Program. He said that he had now heard from SECRETARY MARSHALL who had stated that there was no visible effect of this program on his negotiations in Moscow, though of course the Russians were fully aware of developments. The SECRETARY also stated that he did not wish to give any specific instruction with respect to the progress of this program.

III. Legislation for the Government of Guam

Decision: Refer to SWNOC the question of the future Government of Guam with a view to coordinating the views of the three Departments.

Implementing Action:

The Navy Department to introduce this problem into SWNOC.

Discussion:

MR. PETERSON referred to three bills pending in Congress in respect to the future Government of Guam, and he said that he had heard that the State Department had taken the position that the administration of the island should be under the Interior Department. MR. ACHESON read a memorandum regarding the State Department position, the general substance of which was that the Department in general favored civil administration of the island.

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MR. FURUESTAL said that the Navy Department expected back from Guam in a few days an inquiry body and that it would be helpful to get the views of this group. MR. PETERSEN said that it appeared desirable to coordinate the views of the three Departments with respect to the rule of this island in order that a united front may be arrived at with respect to pending legislation. He recommended that the matter be referred to SWNCC for study and resolution. The three Members agreed to this procedure.

IV. Military Deficiency Bill for Relief to Occupied Areas

Decisions:

None.

Implementing Action:

MR. ALLEN to follow through on the necessary State Department action with respect to the rider that has been attached to this legislation which would require repayment of relief funds involved.

Discussion:

MR. PETERSEN invited the attention of the Committee to the fact that a rider had been attached to this bill to the effect that funds appropriated for this purpose could be used only when there was a provision that the future governments of these areas would undertake to repay the amount involved. He added that he thought that the State Department would undoubtedly wish to take some action with respect to this rider.

MR. ACHESON asked MR. ALLEN to look into this matter.

V. Latin American Arms Program [Inter-American Military Cooperation Act]

Decisions:

1. The Committee agreed to wait until SECRETARY MARSHALL'S return before referring this matter to the PRESIDENT.
2. Refer the problem for informal consideration by the Members of SWNCC.

Implementing Action:

MR. SULLIVAN, MR. PETERSEN and GENERAL HILLJURING to meet informally to study a possible modification of the arms program envisaged with this proposed legislation.

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Discussion:

In view of the expected early return of SECRETARY MARSHALL, MR. ACHESON obtained the agreement of the three Members to waiting until the Secretary's return before approaching the PRESIDENT to resolve this matter. MR. ACHESON said that the State Department was fearful that the arms program which would follow this proposed legislation would bankrupt many of the other American Republics. He said that the State Department would not be opposed to this legislation if a more moderate arming program could be assured. He suggested that the problem be reconsidered with this view in mind. He added that agreement for such a modified program might be obtained either by reaching an understanding with the military people directly concerned in this arms program, or by modifying the draft legislation to obtain this effect.

The Committee agreed that the Members of SWNCC should meet informally to consider this matter.

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MR. PATTERSON said that he was anxious to have our forces withdrawn from Korea as soon as possible. He added that he hoped that the Russians would propose a joint withdrawal and that if they did so we should jump at this opportunity to get out. He said that he thought that there was general agreement to such a line of action. MR. ACHESON pointed out that it was his understanding that Secretary Marshall did not exactly agree with this. MR. FORESTAL said that he knew that Secretary Marshall was concerned that the Communists might obtain complete control of Korea if our troops should be withdrawn.

GENERAL HILLDRING recalled that General Hodge had indicated that we must insist upon definite conditions to our withdrawal; i. e., that the Army in the North must be demobilized and the control over all arms and forces turned over to the Korean Government. Unless we insist upon these conditions being met, the Russians would soon have complete control of Korea.

MR. ACHESON said that Secretary Marshall planned to present a stiff note to the Russians before he left Moscow regarding their stalling to prevent any solution of the Korean problem. (A telegram has subsequently been received from Secretary Marshall indicating that he has already presented this note.) GENERAL HILLDRING said that the text of the note had already been cleared with the War Department.

MR. PATTERSON said that apparently you could not get the Russians to take action by requesting something, but that the only way to get them to move was by presenting an alternate which appeared less desirable to them. He said that perhaps the proposed Bill would be the "burr" which would precipitate them into action.

II. Final Japanese Reparations Settlement.

Decision:
None.

Implementing Action:
None.

Discussion:

GENERAL HILLDRING said that as a result of recent discussions between representatives of the State, War and Navy Departments and representatives of the Peuley and Strike Reparations Groups, agreement had been reached on the U. S. position for a comprehensive Japanese reparations removals program. He said that a paper on this subject (SWNCC 236/13 - Reparations Removals of Industrial Facilities and Merchant Shipping from Japan) had been approved by SWNCC and sent to the FEC on April 8, 1947. He added that if the FEC failed to approve this U. S. position within a short time we must then agree to transmitting this program to SCAP as an interim directive. MR. PATTERSON said that it was doubtful if we would ever obtain agreement on this subject in the FEC. He added that the nations must look to external assets for their reparations. MR. FORESTAL said that there was little of worth available for reparations in Japan today.

GENERAL HILLDRING said that it is urgent that we obtain a final settlement of this problem within the next few weeks, and that if the FEC cannot reach agreement in this connection, we must take unilateral action.

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The Honorable

The Acting Secretary of State

Dear Mr. Secretary:

I have received your letter of 28 March as regards our policy in Korea. I am pleased that the Secretary of State has indicated his intentions of discussing the Korean problem with the Soviets before the end of the present Moscow Conference and hope he will achieve a definitive solution of the current stalemate.

The current situation in Korea is potentially explosive. There exists always the danger of the development of an internal situation which would force our precipitate withdrawal under conditions gravely detrimental to our position in the Far East and in the world. I feel that this danger will remain to a certain degree so long as we continue to occupy Korea because I do not believe that any program, no matter how enlightened, will satisfy the intense Korean desire for independence. On the basis of equivalent strengths of occupation forces, Korea is the most difficult occupation area to maintain. From the standpoint of U.S. security the probabilities of long-term remunerative results are low, particularly if some solution is not achieved with the Soviets which unites the country in the near future.

I am convinced that the United States should pursue forcefully a course of action whereby we get out of Korea at an early date and believe all our measures should have early withdrawal as their overriding objective. In urging this course of action, I appreciate the view that it is important to attain a solution of the Korean problem in some form other than abandoning Korea to the Soviets. I recognize that the apparent inability of the U.S. to carry out its policies in Korea may have some impact on the Japanese people and on U.S. Security interests in the Far East. It is also apparent that, from the standpoint of U.S. security, our policy in the Far East cannot be considered on a piecemeal basis, and logically the policy concerning Korea must be viewed as part of an integrated whole which includes Manchuria and China.

The War Department has striven in every way in its power to support our foreign policy. A high proportion of the Army's available means are now directly so engaged. This support is definitely limited by the resources of men and money made available by the Congress. It is to be expected that decreasing funds and manpower will, in the near future, result in a material reduction in the Army's capability to continue present programs of support. This decreasing capability will exist in non War Department programs with which the Army is associated in supporting our foreign policy. Hence it is now essential that we review critically all programs with the realization that nonavailability of means will force us to drop the least remunerative of them in the near future.

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As to the specific proposals in your letter, I agree that General MacArthur's political -- but not his military -- responsibilities should be terminated and that a political advisor of ambassadorial rank should be appointed. This, I feel, is a necessary preliminary to undertaking the civilianization of our government in Korea, an objective with which I am in agreement. This cannot be done, however, within the next two or three months. When examined from the practical standpoint, it is apparent that it will take a much longer time. I agree with your subparagraphs d, e and f, which envisage setting up a provisional Korean government in south Korea and appointing a civil commissioner directly responsible to the State Department for direction of civil affairs. At the time the change is made from military to civilian control, funds appropriated for civil affairs in Korea, and the responsibility for administering these funds, should be transferred to the State Department. It seems essential that such action be preceded by public and forceful action which proves to the U.S. people that we have done our best to make Korea one nation and that the U.S.S.R. is responsible for the current unsatisfactory situation. I agree with your proposals in paragraphs (4) and (5) concerning dispatch of a business and industrial group to Korea and for intensifying the information and education program, on the assumption that the expenditures envisaged by these proposals would be met from funds to be made available to the State Department, rather than those now being requested by the War Department for the prevention of disease and unrest.

As to the proposal to request Congress to authorize \$540,000,000 for the next three years and an appropriation of \$215,000,000 for the fiscal year of 1948, I question seriously that Congress will be willing to agree to such action. I fear that the request will occasion an adverse reaction resulting in a net reduction of the funds provided to the War Department and other agencies for support of U.S. policy throughout the world. Such an adverse reaction seems certain if the ground for the request is not prepared by measures which will convince the U.S. people and the Congress:

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a. That every effort has been made on the international level to solve those economic ills of Korea arising from the division on the 38° parallel;

b. That the U.S. has determined upon a program and taken a decision which will assure reduction of the cost of the Korean commitment at an early date; and

c. That, in the event we cannot reach agreement with the Soviets regarding Korea, this program envisages carefully considered alternatives, such as referral of the problem to the United Nations or the establishment of an independent government of south Korea, or both, whereby we can still achieve our objectives; as I have indicated above, we cannot resort to such alternatives until our forceful action has gained public recognition of the fact that the Soviets have abrogated the Moscow Agreement.

The whole tenor of the hearings on the Greek-Turkish matter indicates that such expositions and assurances will be required in public hearings. Further, I believe that a critical analysis of the funds proposed to be authorized should be made to determine what reductions would result in case a sensible solution were worked out with the Soviets, and also to determine what portions, if any, of the program beyond the minimum required to prevent disease and unrest can be actually expended remuneratively in Korea. Even though the funds were made available, there is some question in my mind that the entire proposed rehabilitation program is feasible or remunerative.

It is recognized that an authorization by Congress along the line that you suggest will greatly strengthen the hands of our negotiators in dealing with the U.S.S.R. If a plan is worked out, as indicated in the preceding paragraphs, which offers some chance of acceptance of the program by the Congress and appears to assure at least a very substantial reduction at an early date of our commitments in Korea, I agree that a program of the nature you envisage in your paragraphs (1) and (2) should be undertaken and the War Department will support it.

Sincerely yours,

(Signed) ROBERT P. PATTERSON

Secretary of War

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C O P Y

C O P Y

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March 28, 1947

My dear Mr. Secretary:

With regard to our future program in Korea, I am told that General Hildring and Mr. Vincent discussed the matter with you and Mr. Petersen yesterday along the lines of the discussion which took place with Secretary Marshall on March 4.

We are of the opinion that decision and action on the following matters are urgently required in connection with our program which has as its objective the more effective implementation of policy in Korea:

(1) Congressional authorization by legislative act should be requested for expenditures in Korea over the period of the next three years not to exceed \$540,000,000.

(2) Congressional appropriation of \$215,000,000 for the fiscal year 1948 should be requested. Detailed justifications are being prepared but no formal action is necessary until the authorizing legislation has been passed.

(3) Our administration in Korea should be reorganized:

(a) A directive should be issued terminating General MacArthur's political -- but not his military -- responsibilities in Korea.

(b) A political adviser of ambassadorial rank should be appointed. He should be capable of taking charge at some future time of all US civil administration operations in Korea as well as assuming responsibility for

The Honorable

possible

Robert P. Patterson,

Secretary of War.

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possible future negotiation with the Soviets in Korea.

(c) There should be a gradual replacement of military personnel in Military Government by civilians, civilianization to be substantially completed within the next two or three months.

(d) Military Government is now endeavouring to obtain passage by the Interim Legislative Assembly of a general election law. These efforts should be continued and as soon as a law is passed a new legislative assembly should be elected. As soon as this has occurred Military Government should move as rapidly as possible toward setting up a Korean provisional government with substantial autonomy in domestic affairs. It is anticipated that the Political Adviser, acting as "Civil Commissioner", would replace the Military Governor by the time a civil administration has been set up.

(e) The Political Adviser should operate within the War Department chain of command as at present. When he assumes the position of Civil Commissioner he should have over-all direction of civil affairs, CG USAFIK retaining only his strictly military responsibilities. With this change-over, the Civil Commissioner would report directly to and come under the direction of the State Department. This assumption of responsibility by the State Department is conditioned upon approval by Secretary Marshall.

(f) The inauguration of the above changes will necessitate the issuance of a new "Interim Directive to the Commanding General, U.S. Army Forces in Korea, for Military Government in Those Areas of Korea Occupied by U.S. Forces". Processing of such a directive through SWNCC and JCS channels is now in progress.

(4) A high level business and industrial group should be dispatched to Korea to take an industrial census and make recommendations on economic, financial and industrial rehabilitation. A representative of Military Government in Korea is now in Washington in

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regard to this matter, which is being handled by the War Department (CAD) in consultation with JK.

(5) The public information and education program of Korea should be intensified. This is being handled by the War Department (CAD) in consultation with OIC.

General Marshall has indicated his intention to discuss the Korean problem with Molotov (or Stalin) sometime before the end of the present Moscow Conference. It is anticipated that the General will tell Mr. Molotov plainly and firmly of our disappointment over the Soviet Government's attitude toward implementation of the Moscow agreement regarding Korea of December 1945 and will inform Molotov that, while we are not closing the door to a reasonable Soviet initiative on reconvening the Joint Commission, we plan to proceed energetically with carrying out the objectives of the Moscow Agreement in so far as it is feasible for us to do so in the absence of a unified administration for the country.

A Russian proffer to reconvene the Joint Commission and go forward with implementing the Moscow decision on terms acceptable to us would call for a reassessment of the program outlined above but not for its abandonment. Without doubt a unified administration would make possible a reduction in the amount required for rehabilitation and reconstruction in southern Korea. But a considerable sum still would be required and machinery for expenditure of these funds under American control would be necessary.

Therefore, whether the Civil Commissioner mentioned above would function independently in southern Korea or whether he would function jointly for a time with a Russian of similar status, expenditure of appropriated funds would remain under his supervision. Furthermore, should there be a joint withdrawal of American and Soviet troops from Korea, the need and means for achieving our objectives with regard to the economy and political evolution of Korea would remain substantially the same, although some modification in method might be necessary.

It could be hoped, but with little confidence, that the Russians might be induced to make a proportionate expenditure of funds, but Soviet failure to make proportionate expenditures in Korea would not alter our problem

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of our objective, and therefore a need for expenditure of American funds under American control would continue to exist. It is our objective to bring about in as short a time as possible a united democratic Korea and in order to do so the economy of Korea requires our support. We estimate that the amount for which authorization is requested (\$540,000,000) would bring into being at the end of three years a viable, self-supporting Korean economy.

Sincerely yours,

DEAN ACHESON

Acting Secretary

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Comm of Staff*

MINUTES
MEETING OF THE SECRETARIES OF STATE, WAR AND NAVY
April 9, 1947 - 3:00 P. M.

PRESENT

STATE

ACTING SECRETARY ACHESON
GENERAL HILLDRING
MR. ALLEN
Mr. Moseley (SNNCC), Recorder

WAR

SECRETARY PATTERSON
COL. MUNSON

NAVY

SECRETARY FORRESTAL
REAR ADMIRAL WOODRIDGE

I. U. S. Policy Toward the Future Administration of Korea.

Decision:

Agreement to send to the Bureau of the Budget a "Bill to Carry Out the Responsibilities and Obligations of the U. S. in Korea", as amended.

Implementing Action:

The State Department to transmit the Bill to the Bureau of the Budget.

Discussion:

MR. ACHESON said that he had considered MR. PATTERSON'S letter of April 4, 1947, in reply to his letter of March 28, 1947, regarding our future policy toward Korea, and it appeared that there was no disagreement about initiating action for the introduction of legislation to obtain additional funds to carry out our responsibilities and obligations in Korea. He said that obviously we should not introduce this Bill until the Turkish and Greek program had been approved, but it was desirable to get the draft legislation started so that it could be introduced at an appropriate time. He added that the State Department has drafted a letter to send the draft Bill to the Bureau of the Budget for its consideration, and that to get things under way we should send this letter to the Budget immediately.

MR. PATTERSON said that the Bill was satisfactory to him subject to minor changes, and that it was agreeable to him that it be sent to the Bureau of the Budget in order that it would be ready for introduction when so determined. He said the appropriate time for introducing the legislation into Congress involved a matter of strategy which should be considered. He added that he preferred to await Secretary Marshall's return before taking this action.

MR. PATTERSON proposed two minor changes in the Bill. He said that in the last paragraph of SEC 1, 6th line, the words "relief and" should be eliminated, and that in SEC 5, paragraph 1, 1st line, the words "semi-annual" should be changed to "annual". GENERAL HILLDRING examined these proposed changes and said that they were satisfactory to the State Department.

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RAC D-6/2a FINAL

April 15, 1947

EXECUTIVE COMMITTEE ON REGULATION OF ARMAMENTSMEMORANDUM TO THE SECRETARIES

OF

STATE, WAR AND THE NAVY

The Executive Committee on Regulation of Armaments submitted to the three Secretaries on April 2, 1947 a paper entitled, "United States Policy in the United Nations Atomic Energy Commission". This document was returned to the Executive Committee for further consideration in the light of the discussion at this meeting.

The enclosure is a revision of this paper which has been approved by the Executive Committee and has the concurrence of Mr. Frederick Osborn. It is submitted for approval.

John C. Elliott
Executive Secretary.

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RAC D-6/2a

ENCLOSURE

United States Policy

in the

United Nations Atomic Energy Commission.

THE PROBLEM

1. To determine the policy which the United States should follow with respect to the present phase of the work of the United Nations Atomic Energy Commission, having in mind that the Commission is due to submit a second report to the Security Council prior to the meeting of the General Assembly in September, 1947.

FACTS BEARING ON THE PROBLEM AND DISCUSSION

2. See appendix, page 4.

CONCLUSIONS

3. It is concluded that:

(a) The basic objective of the United States continues to be the establishment of an effective enforceable system for international control of atomic energy.

(b) The record of the United Nations discussions of this subject to date indicates that the U.S.S.R. is opposed to the elements deemed by the United States and the over-whelming majority of the

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other members of the Atomic Energy Commission to be essential to an effective system of control.

(c) Therefore, the United States should follow a course designed to lead to the widest possible measure of agreement on these essential elements, and which will, whatever the outcome, make explicitly clear in the record of the United Nations discussions and to world opinion (1) what these essential elements of control are, and (2) should the U.S.S.R. continue to reject them, that it is the opposition of the U.S.S.R. which prevents progress in reaching agreement on an effective system.

(d) To undertake drafting of actual treaty provisions without basic agreement on essential elements of control would be likely to cause unwarranted public optimism throughout the world.

(e) It is possible that other members of the Commission would not agree to key provisions in treaty language without requesting, as ostensibly or actually essential to their understanding of them, additional information which the United States would not as a matter of policy and could not as a matter of law disclose.

RECOMMENDATIONS

4. It is recommended that:

(a) The above conclusions be approved.

(b) The Executive Committee on Regulation of Armaments work out

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with the U.S. Delegation as a matter of urgency (1) those essential elements of an effective system of international control on which discussion should be focused, not only to make absolutely clear the necessity of such elements for true international control, but if the Soviet Union remains unwilling to agree to such a system, to reveal this unwillingness in the most effective manner, and (2) a tentative order of priority of discussion of these elements.

(c) The United States should endeavor to obtain, preferably in informal meetings of Committee 2, the widest possible agreement among the other members of the Atomic Energy Commission on the elements which we deem essential to an effective system of international control. It should, however, be understood that tentative agreements will be accepted by majority vote, it being further understood, however, that minority reports may be submitted. The work of the Committee should be initially directed toward describing the functions of the proposed international control agency. These functions should be stated in descriptive language, supplemented by such explanatory notes as may be desired.

(d) This paper be forwarded to the United States Representative on the United Nations Atomic Energy Commission for his guidance.

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April 15, 1947

APPENDIXFACTS BEARING ON THE PROBLEM

1. On March 10, 1947 the Security Council asked the Atomic Energy Commission to continue studying all phases of the problem of the international control of atomic energy, to develop specific proposals as promptly as possible, and in due course to prepare for submission to the Council a draft treaty or treaties. It also requested a second report before the next session of the General Assembly. On March 19, 1947 the Commission itself decided that its committees should consider the questions arising from the Security Council resolution and particularly questions on which Members of the Commission had not reached agreement. Pursuant to this latter resolution the Commission's Working Committee, which meets in private, resolved on March 31 to consider the points of disagreement outlined in the Soviet statements in the Security Council. The Working Committee further asked Committee 2, which also meets in private, to study the various questions arising from the Security Council and Atomic Energy Commission resolutions and, in particular, such questions as the detailed powers, characteristics and functions of an international control agency, provisions for the transition to the full operation of the international system, and new questions not studied before. These resolutions establish the framework within which United States policy must be carried out.

2. The Commission is renewing its labors against the background of the fact that its first Report of December 31, 1946 was approved by ten of its members, but not by the U.S.S.R. and Poland. Since the submission of that Report, three new members, all of whom apparently accept the basic principles contained in that Report, have joined the Commission. The Soviet Union, whose abstention from voting on the Report gave rise to uncertainty as to its exact attitude, has now indicated, through amendments submitted in February and through Mr. Gromyko's speech of March 5, that none of the fundamental elements of the Report, which was based upon the United States Proposals, are at present acceptable to it.

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3. The past work of the Commission had the effect of focusing public attention primarily on essentially procedural aspects of the problem, such as the scope of inspection and the relationship of the veto to the machinery of sanctions.

4. Several nations which voted for the first Report of the Atomic Energy Commission are extremely anxious to promote the earliest possible development of atomic power for peaceful purposes. Their national economic requirements lead them to stress this aspect of the problem much more than does the United States which places its chief emphasis on national and international security.

DISCUSSION

5. It cannot be stated now with absolute certainty that the U.S.S.R. will not within the next six months be prepared to accept a system for the international control of atomic energy which embodies the elements which the United States regards as essential. The issue depends at least in part on developments in the whole complex of Soviet foreign relations, of which the problem of international control of atomic energy is only a part. Nevertheless, there is good ground for believing that the U.S.S.R. is not at present prepared to accept such a system.

6. There is reason to expect that the great majority of the Commission's twelve members will continue to agree to an effective system as its elements are further developed, although it must be recognized that there is a possibility that the United Kingdom, and perhaps France, will differ with the United States on the issue of international control of power-producing reactors. There may be other issues on which the present majority will split, e.g., the ownership and control of raw materials and mining operations.

7. It is of the utmost importance that the American people, and the Governments and peoples of other countries, be convinced.

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- (a) that the United States has been and remains absolutely sincere in its efforts for international control;
- (b) that agreement on the basic elements of the United States proposals is essential to such control;
- (c) that, if any delay in reaching, or any failure to reach, agreement occurs, the responsibility will not rest upon the United States.

8. The United States objectives in the present phase of the United Nations Atomic Energy Commission work should accordingly be:

- (a) to present clearly and concisely the elements which we deem essential to an effective system of international control, with particular reference to the functions and powers of an international authority;
- (b) to attempt to obtain the widest possible agreement on these elements;
- (c) to make it clear that, if, as appears likely, the Soviet Union will not accept these elements, the fault lies with the U.S.S.R.;
- (d) to prepare a firm basis for whatever measures the United States may find it necessary to take in its own interest if and when it becomes clear that agreement on an effective system of international control is not possible.

9. Three possible courses of action which this Government might advocate have been considered. They are not all mutually exclusive:

- (a) To debate the basic differences of principle which the Soviet amendments and Mr. Gromyko's speech of March 5 have shown to exist between the Soviet Union and the overwhelming majority of the Atomic Energy

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Commission's members. The Resolution adopted March 31 by the Commission's Working Committee contemplates discussion of these differences as one of two parts of the Commission's program.

(b) To examine the essential elements of an effective system of international control with the specific objective of developing actual provisions of a treaty. This alternative, which includes the submission of specific proposals of articles in charter language for inclusion in a treaty, has been informally discussed by the United States Delegation with other delegations.

(c) To focus upon the elements of an effective system of international control, which the United States regards as essential, particularly those relating to the functions and powers of the proposed Authority.

10. At first glance alternative (b) appears to have advantages. If this course were followed, it is argued, it would be possible to obtain agreement on a large number of charter articles, and because the discussion is taking place in terms of specific legal phraseology, to discover precisely where differences exist and the degree to which it might be possible to reconcile them. It is also argued that this course would permit the preparation of a treaty to which all could agree except the U.S.S.R. and Poland, and which could then be laid upon the table for signature at any time the U.S.S.R. is ready to sign.

11. These advantages are, however, offset by two major considerations:

(a) to attempt under present circumstances to focus discussion on provisions of an actual charter would almost certainly be to mislead the American public into believing that fundamental differences had been reconciled and that the United Nations Commission was now attacking the problems of organization and operation of the control authority.

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(b) It would be impossible to enter a discussion of specific treaty language on key provisions without raising the question of the disclosure of classified information. Other delegations might legitimately contend that in the absence of the necessary information they could not agree to specific provisions even though all agreements would be subject to review on an overall basis. For example, treaty provisions for the control of reactors to be used as sources of power could probably not be agreed to by a nation which had no more knowledge of "denaturants" than is now public. The security provisions of the McMahon Act and the security requirements of the United States would not allow the release of such information. Disclosures of "restricted data" must be made only in accordance with the terms of the Atomic Energy Act of 1946.

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~~CONFIDENTIAL~~
MEETING OF THE SECRETARIES OF STATE, WAR AND NAVY
MAY 7, 1947 - 10:30 A.M.

PRESENTSTATE

SECRETARY MARSHALL
 UNDER SECRETARY ACHESON
 GENERAL HILDRICH
 MR. LAPOUSSE
 MR. ALLEN
 Mr. Mosley, Recorder (SWNOG)

WAR

SECRETARY PATTERSON
 ASSISTANT SECRETARY PETERSEN

NAVY

SECRETARY FORRESTAL
 UNDER SECRETARY SULLIVAN
 ADMIRAL WOOLDRIDGE

I. Korean Rehabilitation ProgramDecisions:

1. Requests for Congressional authorization for a program of rehabilitation in Southern Korea will be limited to a one year program.
2. This legislative program should be submitted to Congress as soon as possible after the completion of action on the Greek-Turkish Bill.
3. The Department of State agrees to assume administrative responsibility for non-military aspects of the occupation at the time a Civil Commissioner takes office.
4. The Provisional Government for Southern Korea should be set up as soon as possible following the passage of a suitable electoral law.

Implementing Action:

The State Department to advise the Bureau of the Budget that requests for Congressional authorization for a program of rehabilitation for Southern Korea will be limited to \$215 million for the fiscal year 1948.

Discussion:

SECRETARY MARSHALL stated that the Committee had previously approved the transmittal by the State Department to the Bureau of the Budget of a proposed bill seeking Congressional authorization for a program of rehabilitation for Southern Korea, involving a maximum total of \$540 million for the next three years and requesting \$215 million for the fiscal year 1948. He said that the question had arisen whether the request for Congressional authorization should be for a three year program or should be limited to a one year program. He added that his own opinion was that it would be unwise to request a three year authorization.

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SECRETARY FORRESTAL said that he favored the one year program as we cannot know our needs for a three year period. SECRETARY PATTERSON agreed to the one year program.

SECRETARY PATTERSON said that he realized that he was in a minority but he believed that we should get out of Korea as quickly as possible and any proposed program should be geared to that thesis. He said that our occupation of Korea was extremely expensive, that he knew of no strategic or economic value in maintaining our hold in Korea, and that the whole program appears to be a face-saving one. SECRETARY MARSHALL said that he did not agree with SECRETARY PATTERSON'S views in this connection. He said that he was worried about the threat of the military force in Northern Korea which the Russians had created. He added that he was further concerned about the condition of the Korean constabulary which is poorly trained and lacks experience. He said that he recognized that State Department's administrative responsibility for the non-military aspects of the occupation will be made extremely hazardous with this weak constabulary, but nevertheless the risk must be taken.

SECRETARY MARSHALL then obtained agreement to the three State Department proposals listed above as Items 2, 3 and 4 in the Decisions.

II. Revision of Bizonal Arrangements

Decision:

The Committee agreed to the despatch to General Clay of the proposed cable set forth in the Enclosure as amended.

Implementing Action:

The War Department to despatch the cable to General Clay.

Discussion:

SECRETARY MARSHALL read the proposed cable (see Enclosure) and inquired whether the three Members agreed to its despatch. He proposed that the following additional paragraph be added: "In event the foregoing includes points of view with which you seriously disagree please radio your comments." The three Members agreed to this proposed addition.

MR. PETERSEN proposed the elimination of the words "control and" from paragraph 2 (b); also elimination of the words "at least for the time being" from the third sentence of paragraph 3. He said that the retention of the power of control by the military governors was contrary to the thesis that the Germans must undertake the job themselves.

GENERAL HILDRING explained that the proposed cable was designed to advise General Clay that the U. S. Government shared his fears that the establishment of the Bizonal Economic Council might result in a highly centralized economy and socialization of industry, but that such danger may be obviated by measures outlined in the proposed cable.

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SECRETARY PATTERSON said that there was need for a better public relations program with respect to our position in these bilateral arrangements. He cited the need for explaining our position to the press.

SECRETARY FORRESTAL said that we must make it clear to the British that we did not propose to endorse socialization in Germany under any circumstances. He stated that he believed that the British should be told that these are our terms, and that this should be communicated to them at the highest level, either by the Secretary of State or the President.

SECRETARY PATTERSON said that he believed that we should defer any argument with the British on the question of private vs public administration of industry; that the big job now is to get the industrial machinery going.

III. U.S.S.R. Lend-Lease Settlement Negotiations

Decisions:

The Committee agreed to the following general principles to serve as guides in connection with the lend-lease negotiations now under way with the U.S.S.R.:

(1) to transfer title to and obtain payment for an inventoried list of non-military items (i.e., all articles other than "arms ammunition and implements of war" as enumerated in Presidential Proclamation 2717, February 14, 1947);

(2) to designate for return a small number of specific military or naval articles which are of use to the U.S. and for which the U.S. has real need;

(3) to permit retention by the recipient of all other military or naval articles, other than vessels, reserving the right of recapture but stating in the agreement that the right will not be generally exercised;

(4) to require constructive return of all vessels other than those actually returned, in order to satisfy Public Law 1, 78th Congress; to have them declared surplus if they are; then to sell them back to the country through the OPIC under the Surplus Property Act;

(5) to make no claim for compensation for articles lost, destroyed or consumed during the war.

Implementing Action:

War and Navy Department to provide the State Department with a list of specific military or naval articles, if any, which they wish returned pursuant to principle no. (2) set forth above in the Decisions.

Discussion:

SECRETARY MARSHALL said that negotiations had begun with the Russians to effect the lend-lease settlement, and the State Department proposed for consideration certain general principles (see Decisions above) to serve as guides for

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the negotiators. He said that he questioned whether it would be advisable to make our terms any stiffer for the Russians than we did for the British. He added that while on the one hand we must consider public reaction and that of Congress, we must also realize that we have to face the Russians at another meeting of the Council of Foreign Ministers.

SECRETARY PATTERSON said that he favored writing off the costs of any strictly military items. SECRETARY FORRESTAL said that he agreed to this, but added that he thought we should insist on payment for industrial goods. SECRETARY MARSHALL said that he was of the opinion that there was no point in trying to obtain payment or get back ordinary military equipment. MR. LABOUISE pointed out that in previous settlements with major powers, it has been our policy to permit retention of military or naval articles, other than vessels, but to reserve the right of recapture of such articles for an indefinite period in the future.

SECRETARY FORRESTAL said that with respect to military equipment, we should be certain that there is a provision for "no transfer". MR. PETERSEN pointed out that all lend-lease agreements included a "no transfer" provision.

With reference to proposal (1) that we should seek payment for an inventoried list of non-military items, MR. ACHESON said that this procedure would to a certain extent be a departure from our treatment of the British, but that it represented a different technique than was used in the British negotiations. He said that a different approach was necessary for bargaining purposes.

MR. LABOUISE pointed out that in the British negotiations the distinction between military and non-military items was made by reaching an agreement that all items held by British military agencies would be considered military articles, while all items in the hands of British civilian agencies would be considered non-military articles. He said that this approach would be impracticable with the Russians as their system is such that a ready distinction could not be made between military and civilian agencies. He added that he believed that if we suggested this technique, the Russians would probably claim that most of the articles were held by military agencies.

SECRETARY FORRESTAL stated that another good reason for not following the procedure used with the British in this connection was that we obtained a large sum from the British in reverse lend-lease whereas the Russians gave us only a relatively small amount.

With respect to proposal (2) that a small number of specific military or naval articles should be designated for return, MR. PETERSEN said that the War Department would need time to study this matter.

IV. Survey Mission to Investigate Turkish Aid Needs (SNCC 358/1)

Decision:

The Committee agreed that the representation on the Turkish Survey Mission proposed in SNCC 358/1 should be as follows: War Dept. - 12; Navy Dept. - 7; State Dept. - 4.

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Implementing Actions:

Representatives to be selected by all three Departments.

Discussions:

SECRETARY MARSHALL said that he understood that SECRETARY PATTERSON had some objections to the size of the military representation on the survey group which would go to Turkey as proposed in SWNCC 358/1.

SECRETARY PATTERSON said that he felt that the proposed representation (War Dept. - 26; Navy Dept. - 12; State Dept. - 2) placed too much emphasis on the military character of the proposed aid, and that furthermore the survey could be satisfactorily made by a smaller number of military officers. He stated that he had reached agreement with SECRETARY FORRESTAL to cut the military representation approximately in half (War Dept. - 12; Navy Dept. - 7). SECRETARY FORRESTAL said that he agreed to this.

SECRETARY PATTERSON said that for appearance's sake he would prefer that the State Department representation on the survey group be increased. MR. ACHESON agreed to increase the State Department representation from two to four.

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ENCLOSURE~~TOP SECRET~~

Draft Cable to CINCEUR

Your negotiations with Robertson on revision bizonal arrangements is subject. Reurads CC 8871, CC 8933 and CC 8959 Apr and ourad _____.

1. Encouraged by urad CC 8959 in belief issues may be resolved through further negotiations in Theatre. Receipt here through Brit Rab of revised note Brit submitted to you for discussion confirms impression of possibility reasonable compromise. Suggest you continue negotiations keeping us advised frequently and informing us whether and to what extent any remaining issues must be resolved at intergovt level.

2. Share ur fears regarding highly centralized controlled economy and socialization which would reinforce centralization. Believe, however, such danger may be obviated by (a) careful definition and delimitation of powers to be exercised at bizonal level, (b) retention by two military governors of powers of control and approval of acts of bizonal Council, particularly of power to implement decisions of Council by legislation, and (c) carrying our agreed US-UK views at CFM on composition of Council.

3. Re 2 (a) Marshall and Bevin agreed in principle that division of powers in bizonal area should be approximately same as that which US-UK agreed in Moscow should obtain between future German central govt and Laender (See CFM(47)(M)121). Believe accordingly there should be central determination of production and import-export plans, together with allocation by industries of fuel and materials essential to execution such plans and appropriate action by military government in both zones, including necessary uniform legislative implementation and military government inspection to ensure compliance by German authorities at all levels. Central powers should be defined so as to preclude ~~at least for time being~~ socialization at bizonal (repeat bizonal) level and to leave administration of centrally reached decisions as far as possible to Laender. As alternative to complete delegation administration and execution to Laender, particularly in fields where Laender may have little or no interests in carrying out plans suggest you give consideration to

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delegating limited administration authority to local branches of German bizonal agencies in defined fields, e. g., to the approval of contracts for exports.

4. Re 2 (b), we note that Brit proposals submitted to you provide bizonal Council will direct economy only subject to approval of two military governors who will also reserve to themselves the power of legislation. Believe this will give you control over excessive centralisation and make all critical decisions subject to agreement between you and Robertson. It should be clear that in event disagreement, decision does not revert to German agencies but must be referred to governments.

5. Re 2 (c) Brit proposals provide composition of bizonal council should be same as that decided in Moscow for German Advisory Council CFM (47) (M) 121 records agreed US-UK view Council be composed QUOTE three representatives of each Land chosen by Landtag so as to represent as nearly as possible the division of democratic opinion in that Land UNQUOTE, with additional explicit assumption that Zone Commanders should take necessary corrective action if a Landtag should not choose representatives on basis representing division of political opinion in Land. Believe joint implementation of these provisions will prevent any one party from obtaining influence or control over bizonal agencies in excess of that to which they would be entitled on democratic basis.

6. Concur ur views CC 8871 that use of capital funds should be confined to finance import programs designed specifically to bring in export proceeds. Agree you should insist as part of agreement on adoption principle funds should be used primarily for direct stimulation exports rather than general use in level of German economy. In this connection note that para b. in Brit memorandum on the Operation of the Fusion Agreement submitted to Sec State in Moscow apparently makes considerable concession in that direction.

7. In event the foregoing includes points of view with which you seriously disagree please radio your comments.

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THE STATE-WAR-NAVY COORDINATING COMMITTEE
WASHINGTON, D. C.

April 25, 1947

MEMORANDUM FOR The Secretary
 Executive Committee on the
 Regulation of Armaments

Subject: RAC D-6/2a FINAL - U.S. Policy
 in the United Nations Atomic
 Energy Commission

At your request the document (RAC D-6/2a FINAL) was referred to the Secretary of War, the Secretary of Navy and the Acting Secretary of State for approval.

Official notice has now been received of the approval of this document by all three of the Secretaries.

H. W. Moseley
Secretary

HWM/rmh

THE SECRETARY OF THE NAVY
WASHINGTON

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24 APR 1947

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

Subject: United States Policy in the United Nations
Atomic Energy Commission. (Executive Committee
on the Regulation of Armaments RAC D-6/2a Final,
April 15, 1947).

1. With reference to your memorandum of
April 17, 1947, I approve RAC D-6/2a Final.

Fourestal

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E.O. 11652, Sec. 3(E) and 5(D) or (E)
NND 750057
By *ckb* NARS, Date NOV 6 1974

THE STATE-WAR-NAVY COORDINATING COMMITTEE
WASHINGTON, D. C.

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April 17, 1947

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Note: Mr. Allen advises that Mr. Ucherson has approved
W. W. Moseley
4/22/47

Memorandum for the Acting Secretary of State

Subject: United States Policy in the United Nations Atomic Energy Commission. (Executive Committee on the Regulation of Armaments RAC D-6/2a Final, April 15, 1947.)

1. The Executive Committee on the Regulation of Armaments has requested that the document (RAC D-6/2a Final) enclosed herewith be referred to you for approval.

2. This document is a revision of the paper (RAC D-6/2) which received the general approval of the Committee of Three at its meeting on April 3, 1947. At that time Mr. Osborn proposed certain amendments to the paper then under consideration and it was agreed that the document should be returned to the Executive Committee for further consideration in the light of the discussion at that meeting.

3. The enclosure has been approved by the Executive Committee and has the concurrence of Mr. Frederick Osborn.

4. It is requested that you advise the Secretary of SWNCC if you approve this document.

H. W. Moseley
H. W. Moseley
Secretary

Enclosure:
Copy 13, RAC D-6/2a Final
Dated April 15, 1947.

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THE STATE-WAR-NAVY COORDINATING COMMITTEE
WASHINGTON, D. C.

April 17, 1947

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RAW 338 740

Memorandum for the Secretary of War.

Subject: United States Policy in the United Nations
Atomic Energy Commission. (Executive Committee
on the Regulation of Armaments RAC D-6/2a Final,
April 15, 1947.)

1. The Executive Committee on the Regulation of Armaments has requested that the document (RAC D-6/2a Final) enclosed herewith be referred to you for approval.
2. This document is a revision of the paper (RAC D-6/2) which received the general approval of the Committee of Three at its meeting on April 3, 1947. At that time Mr. Osborn proposed certain amendments to the paper then under consideration and it was agreed that the document should be returned to the Executive Committee for further consideration in the light of the discussion at that meeting.
3. The enclosure has been approved by the Executive Committee and has the concurrence of Mr. Frederick Osborn.
4. It is requested that you advise the Secretary of SWNCC if you approve this document.

H. W. Moseley
H. W. Moseley
Secretary

approved.
RPP.

Enclosure:
Copy 11, RAC D-6/2a Final
Dated April 15, 1947.

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By *CSO* NARS, Date NOV 6 1974

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AN ESTIMATE OF PROBABLE PRIORITIES IN DIRECT
OR INDIRECT EFFORTS TO EXTEND SOVIET INFLUENCE
IN THE COUNTRIES LISTED BELOW

A. Probable Priority Scale

1. Poland, Czechoslovakia, and Hungary
2. Turkey, Iran, Greece, Austria
3. France, China
4. Italy, Belgium, Netherlands
5. Portugal
6. The Netherlands East Indies, and the Philippines

B. Explanation of Selection of Priorities

Four criteria were used in arriving at the above scale:

(1) The territorial proximity of the given country and its place in the Soviet security scheme; (2) the degree of control or influence already exercised by the U.S.S.R.; (3) the facility or difficulty of extending Soviet influence therein; (4) the place of the country in the Soviet estimate of global political strategy. It was assumed that an expansion of the Communist forces in any place constitutes an expansion of Soviet Influence.

1. Poland, Czechoslovakia and Hungary are on the route of previous German invasions of Russia and South-East Europe. From the standpoint of "security rings" these countries are in the first ring on the periphery of the U.S.S.R. Soviet influence is exclusively dominant in Poland, very strong in Czechoslovakia, and economically extensive in

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By CLB NARS, Date NOV 6 1974

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Hungary. Politically, the Soviet task is visualized as consolidation of Communist controls in Poland and Czechoslovakia, and an increase in Communist strength in Hungary.

2. Turkey and Iran border directly on the U.S.S.R., while Greece borders on three Soviet satellites. They are considered, therefore, within the first and second rings of the Soviet security zone. All three countries constitute gateways to the Near East, and all are regarded as potential bases against the U.S.S.R. The effort to extend Soviet control or influence through territorial--strategic gains or through an increase in pro-Soviet forces in these countries (despite the fiasco in Iran and the consequent pause in Soviet pressure there) is high on the list of Soviet priorities. In Greece, there is the instrument of the Communist-led minority; in regard to Turkey and Iran, propaganda, periodic troop concentrations and other war-of-nerves devices are the chief instruments of Soviet policy.

Austria likewise belongs to this group because of its geographic position between Germany and the Soviet satellites. Of lesser importance than the other three as a path for further expansion, it would assume considerable importance in Soviet strategy in case of withdrawal of the troops of the occupying powers. Here, because of Communist weakness, the Soviet effort is largely restricted to economic pressure and propaganda activity.

3. France in the West and China in the East are considered of most crucial importance in Soviet global political strategy. Communist control

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of France would come close to realization of Soviet dominance over Europe, while Communist control over China would fundamentally alter the balance of power in the Far East and ultimately spell Soviet dominance over the entire East.

In both countries the U.S.S.R. possesses powerful Allies in the local Communist forces. Mere maintenance of the present strength of the forces is of great advantage to the position of the U.S.S.R. in the world balance of power. Prevention of more than a minimum decrease in these forces is part of the Soviet security concept. Expansion of the strength and influence of these Communist forces is a major Soviet goal. While extensive overt assistance by the U.S.S.R. to the Communists in France is unlikely at present, and similar assistance in China is apparently held premature, and while, moreover, these countries are not as high on the list of priorities of current Soviet effort as those indicated in the preceding sections, both are deemed vital for the security and ultimate objectives of the U.S.S.R.

? 4. Italy, Belgium and the Netherlands are of much lesser importance in Soviet calculations. In and by themselves, changes in Communist strength in any of these countries, would not be decisive in Western Europe. Communist strength ~~is~~ is extensive in Italy, but is balanced by growing strength of the Right. All three countries, and Italy especially, are likely to be influenced by developments in France. In Italy Communist efforts would probably be conditioned even more by economic conditions and the extent of Western assistance for the economy of the country.

5. Portugal, the Netherlands, ~~East Indies~~, the Philippines are remote in all Soviet calculations of elements of security of the U.S.S.R. and channels for expansion of Soviet influence. - 3 -

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MINUTES
MEETING OF THE SECRETARIES OF STATE, WAR AND NAVY
APRIL 23, 1947 -- 10:30 A.M.

PRESENT

STATE

ACTING SECRETARY ACHESON
 GENERAL HILDRETH
 MR. ALLEN
 Mr. Mosley (SWDC), Recorder

WAR

SECRETARY PATTERSON
 COL. MUNSON

NAVY

SECRETARY FORRESTAL
 UNDER SECRETARY SULLIVAN
 REAR ADMIRAL WOOLDRIDGE

I. Possible Candidates for Head of Greek Recovery Mission.

Decision:

General agreement that every effort should be made to obtain General Harrison before approaching other individuals.

Implementing Action:

None.

Discussion:

MR. ACHESON said that the President was still trying to draft General Harrison for this position, but that there was some question whether he could be obtained in view of the difficulties now being encountered by the American Telephone and Telegraph Company. He asked that the members should consider other possible candidates.

In the discussion the names of the following individuals were mentioned:

- | | |
|-----------------------|----------------------|
| Mark Etheridge | Robert Moses |
| Paul D. Hoffman | Al Browning |
| Granville Conway | Gen. William Donovan |
| Gen. Omar Bradley | James S. Adams |
| Col. James Davis | ex-Governor Schoepel |
| Claire Francis | Howard Hunter |
| Governor Ellis Arnall | J. Burrows |

MR. ACHESON and MR. PATTERSON said that they would favor the selection of Mr. Etheridge and MR. FORRESTAL said that he favored Mr. Moses. However, the Committee agreed that every effort should be made to obtain General Harrison before considering further the selection of another individual.

MR. PATTERSON inquired whether consideration had been given to the selection of an individual to head a mission to Turkey. MR. ACHESON said that it was not planned to send any definite mission to Turkey as the Turks were opposed to it. He asked that our Ambassador would direct the activities there resulting from the Greco-Turkish Aid Bill.

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 By CSO NARS, Date NOV 6 19

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II. Latin American Arms Program (Inter-American Military Cooperation Act).Decision:

MR. ACHESON agreed that he would recommend to Secretary Marshall that the State Department support the Inter-American Military Cooperation Act, with the understanding that ways and means will be found to implement the Arms Program in such a way that it will not place a financial drain on the budgets of the countries involved.

Implementing Actions:

Further efforts to be made to determine how the Arms Program can be implemented without putting the recipient countries in a debtor position to the United States.

Discussion:

MR. ACHESON recalled that the Members of SEMCC have been studying the effects of the Arms Program envisaged in the draft legislation under consideration, and called upon General Hildring to make a report.

GENERAL HILDING distributed copies of a report entitled "Western Hemisphere Defense Program". He said that this report set forth the estimated costs of the Program which the Military planned to carry out under the legislation. He stated that this report was designed to indicate: (1) the average annual cost to each country prior to completion of the program, and (2) the annual cost of maintaining the equipment after completion of the Program. He said that the report also sought to indicate the estimated ability of the countries to participate in the program, together with an estimate whether it would result in a surplus or deficit. He said that there was disparity between the Military and the State Departments' views on the cost of the Program and the ability of the various countries to carry this cost.

MR. PATTERSON said that he saw little value in this report as it was merely a calculation of the ability of various countries to pay for an Arms Program. He said that there was no necessary relationship between the passage of the Bill and any particular Arms Program. He added that any study of maintenance costs projected into the future is at best vague and uncertain. He said that it is not necessary to consider this Bill as if the President were under compulsion to complete any particular program. He added that the Bill is not mandatory on the President but that it was urgent that he be given the discretion which the Bill provides to allow him to undertake this program, which involves the instruction and training of military personnel of the countries in question as well as the provision of arms.

GENERAL HILDING said that it was his understanding that the main issue was whether passage of the Bill implied a specific arms program.

MR. ACHESON said that while it was technically correct to say that there was no definite relationship between passage of the Bill and an Arms Program, it must be recognized that Col. Ridgway and the Inter-American Defense Board have been working on an arms program for sometime. Passage

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of this Bill would imply that this planned program could be undertaken. Furthermore, a sizeable transfer of arms would undoubtedly result as it is known that the Army wishes to get rid of much surplus property, and Army, Navy and Air Corps Missions in the other American Republics are anxious to get training programs under way.

MR. SULLIVAN said that he thought that we could control the effects of the implementation of this Bill on the economies of the other countries by controlling the amount of arms we give them.

MR. ACHESON said that he questioned the extent to which transfer of arms could be controlled as the countries anticipated large supplies when the Bill is passed. He said that what we should observe from GENERAL HILLDRING'S report is that deficits will occur in the budgets of most of these countries, and that they will certainly call upon the U. S. to help them finance their shortages. He said that in supporting this legislation we must understand its full implications. He added that we should point out to Congress the fact that most of the Latin American countries will not be able to meet the costs involved and consequently ways and means must be found to provide the money.

MR. PATTERSON said that he would be willing to tell Congress that programs to be agreed upon under this legislation would be sent to the President at a later date, and that undoubtedly there would be a cost problem involved in later years from maintenance of the equipment.

MR. FORRESTAL pointed out that Congress must be warned of what the costs may be when this Bill is implemented. GENERAL HILLDRING said that some of the countries do not even have the dollar balances whereby they could pay for the crating and transportation of the equipment. MR. ACHESON said the main question is to determine how we can provide the equipment without putting those countries in debt to us. In other words, we must determine where the necessary dollar balances are to come from. He said that we do not want to loan these countries money as it would only build up their deficits. He said that it appeared that the cost of crating and transportation would have to come out of the War and Navy Departments' budgets as most of the countries could not even pay for this expense.

MR. FORRESTAL said that the Navy would probably be willing to pay the small costs involved in getting ships ready for transfer.

MR. SULLIVAN said that there was strong feeling among some members of Congress that we should take steps to aid our neighbors. He pointed out that there are reports that the British are trying to sell ships to the Brazilians.

MR. ACHESON said that he was willing to recommend to Secretary Marshall that the State Department support the Bill, but that we must recognize that ways and means must be found to make the implementation of the Bill financially feasible to the other American Republics. He said that studies must be undertaken to determine where the money is coming from to finance this program without placing these other countries in a deficit position.

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THE SECRETARY OF THE NAVY
WASHINGTON

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24 APR 1947

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

Subject: United States Policy in the United Nations
Atomic Energy Commission. (Executive Committee
on the Regulation of Armaments RAC D-6/2a Final,
April 15, 1947).

1. With reference to your memorandum of
April 17, 1947, I approve RAC D-6/2a Final.

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E.O. 11652, Sec. 3(E) and 5(D) or (E)

NND 750057

By ckg NARS, Date NOV 6 1974

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MINUTES
MEETING OF THE SECRETARIES OF STATE, WAR AND NAVY
APRIL 15, 1947 - 10:15 P. M.

PRESENT

STATE

ACTING SECRETARY ACHESON
 GENERAL HILLDRING
 MR. ALLEN
 Mr. Moxley (SWCC), Recorder

WAR

SECRETARY PATTERSON
 COL. MINSON

NAVY

SECRETARY FORRESTAL
 UNDER SECRETARY SULLIVAN
 REAR ADMIRAL WOOLDRIDGE

I. Selection of Individual for Chief of Greek Aid Mission.

Decision:

General agreement that General Harrison should be requested to head the Greek Mission.

Implementing Action:

1. The President to ask General Harrison to accept this appointment as soon as passage is assured of the Bill for aid to Greece and Turkey.
2. All three Masters to consider further the names of prominent and qualified private individuals who might be available for positions with missions of this type.

Discussion:

MR. ACHESON said that he had noted that both MR. PATTERSON and MR. FORRESTAL had agreed to the selection of General Harrison as head of the Greek Mission. He added that as soon as the Bill for aid to Greece and Turkey passes, steps would be taken to attempt to draft General Harrison. He said that the President would ask General Harrison to come to see him as soon as it was assured that the Bill would pass. He added that Mr. Gifford of the American Telephone and Telegraph Company had already been contacted regarding the release of General Harrison and that although Mr. Gifford objected to losing the General, it was apparent he would concede to this in the public interest. MR. ACHESON added that Senator Vandenberg had approved the choice of General Harrison for this position.

MR. FORRESTAL said that all three Departments should maintain a central file of men in private life with suitable qualifications who could be called upon to accept responsible government positions such as chief of the Greek Mission.

MR. ACHESON noted MR. FORRESTAL'S remarks in this connection and suggested that they all consider further the names of individuals who might be called upon to accept positions of this type.

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 NND 750057

By *CRP* NARS, Date NOV 6 1974

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II. Selection of A Candidate for the Head of the International Refugee Organisation.

Decisions:

Agreement that General Haskell should be selected as a potential candidate for this position.

Implementing Actions:

GENERAL HILLDRING to take steps to obtain General Haskell for this position and arrange to have his name submitted to the IRO as a possible candidate for heading that organization.

Discussion:

GENERAL HILLDRING said that he wished to make sure that there was agreement to the selection of General Haskell before taking action to draft him as a candidate for heading up the IRO.

MR. FORRESTAL and MR. PATTERSON indicated their agreement to the selection of General Haskell.

III. Question of Obtaining Civilian Economic and Financial Experts for General MacArthur's Staff.

Decisions:

None.

Implementing Actions:

MR. PATTERSON to explore the possibilities of sending an Economic Mission to Japan.

Discussion:

MR. ACHESON referred to his letter of April 14, to MR. PATTERSON in which he had indicated the apparent need for highly qualified economic and financial civilian experts on General MacArthur's Staff. MR. PATTERSON said that we must have the request of the Theater Commander for additional personnel before anything can be done to provide them.

GENERAL HILLDRING said that steps had been attempted to strengthen the competence of the Economic and Scientific Section of General MacArthur's Staff, but that this had not met with much success. He described the need for building up the economic and financial structure of Japan before we are confronted with the complete economic collapse of that country. He said that the present staff at General MacArthur's Headquarters is not equipped to plan and supervise the complicated economic program necessary to put Japan on her feet. He pointed out that General MacArthur did not have the competent civilian advisors and assistants that General Clay has had available to him in Germany.

MR. ACHESON cited the reports of the Harrison and Strick Missions to

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Japan in which it was indicated that there was a definite need for making available to General MacArthur civilian personnel of outstanding skill and experience to deal with the economic and financial aspects of the occupation. He pointed out that General MacArthur had endorsed the report of the Stripes Mission.

GENERAL HILLDRING said that General MacArthur's Staff has a defeatist attitude toward economic recovery in Japan, and that General MacArthur himself has said that no economic recovery could be accomplished under military government. GENERAL HILLDRING pointed out that General MacArthur's statement in this connection had been disproved by the progress made by General Clay in starting economic recovery in Germany. He said that General MacArthur's substitute program of an early peace treaty and control of Japan by the U. N. was unrealistic. He added that we cannot wait for consummation of a peace treaty before acting, but that we must start to work immediately to get Japanese industry going. MR. ACHESON cited the delays attendant to treaty-making and said that what is needed is immediate aid to start a sound economic program in Japan.

MR. FORRESTAL pointed out that it was necessary to let Japan become a trading nation again in order to take the burden of supporting that country off the American people. He said that General MacArthur had done a fine administrative job but that he now needs aid in the field of economics. He added that the only way to avert a complete collapse in Japan would be to send out highly skilled technical experts who would be able to lay out an economic recovery program. By so doing, they could at least restore hope of recovery to the Japanese.

MR. PATTERSON reiterated his position that he could not force men on General MacArthur's staff, and that it would be necessary to have his request before sending any one out. MR. PATTERSON said that he believed that the only thing that could be done now is to find an engineering servicing concern which could go to Japan and help General MacArthur decide on specific plants available for reparations. He said that this action would help considerably in getting things settled and would create a degree of stability there which has not existed before. He added that the Stripes and Horizon Missions were limited to food and reparations studies, and that consequently their reports were limited in scope. MR. PATTERSON said that he would be glad to take under consideration the question of sending an economic mission to Japan.

IV. Latin American Arms Program (Inter-American Military Cooperation Act).

Decision:

None.

Implementing Action:

Members of SWSOC (General Hilldring, Mr. Sullivan and Mr. Petersen) to report at the next meeting of the Committee of Three on their study of this matter.

Discussion:

MR. ACHESON recalled that at a previous meeting the Committee agreed that the Members of SWSOC should meet informally to study the Arms Program

~~SECRET~~

- 4 -

provided for in the Inter-American Military Cooperation Act, and inquired what progress had been made in this connection.

GENERAL HILLDRUP said that this matter was under active consideration by the Members of SEMOC and that they would have a report ready at the next meeting of the Committee of Three.

~~SECRET~~

C O P Y

April 14, 1947

~~CONFIDENTIAL~~

My dear Mr. Secretary:

On September 6, 1945, after approval by the President, there was transmitted to General MacArthur the United States Initial Post Surrender Policy for Japan. This Policy Statement, which sets forth the ultimate objectives of the United States in regard to Japan, envisages resumption of peaceful economic activity in Japan as rapidly as possible, consistent with the accomplishment of the objectives of the occupation. In addition to providing that Japan will be expected to provide goods and services to meet the needs of the occupying forces, the basic policy requires that Japanese authorities will be expected, and if necessary directed, to maintain, develop and enforce programs necessary to avoid acute economic distress, to assure just and impartial distribution of available supplies, to meet the requirements for reparations deliveries and to facilitate the restoration of Japanese economy so that the reasonable peaceful requirements of the population can be satisfied.

In the period which has elapsed since the beginning of the occupation, the War Department and the Supreme Commander for the Allied Powers have faced administrative difficulties of the greatest complexity and magnitude. The achievements of the Supreme Commander in the face of these difficulties have been of decisive importance and represent an historic contribution to the execution of the foreign policy of the United States. Moreover, these achievements have been gained on the basis of maximum utilization of Japanese governmental machinery and agencies, in accordance with the principle underlying the Policy Statement.

The Department of State, however, is concerned by signs of increasing difficulties with respect to the internal economic and financial structure of Japan. Japanese governmental machinery must inevitably play a major role in minimizing or avoiding these difficulties and the occupation authorities accordingly face problems of supervision requiring the highest technical and managerial skills. Numerous reports which have reached the Department, such as the report of Mr. Clifford Strike concerning certain aspects of Theater planning and administration in connection with the reparations program and of Colonel Harrison concerning food and agriculture, appear to indicate the necessity for making available to General MacArthur civilian personnel of outstanding skill and experience to deal with the economic and financial aspects of the occupation.

The Department does not, of course, minimize the accomplishments of the personnel who have been working conscientiously and vigorously to make a success of the occupation. Moreover, the difficulties in the way of recruitment of high calibre civilian personnel are well known to the Department.

It remains true, nevertheless, that the furtherance of United States objectives in Japan inevitably depends upon the efficiency with which Japanese agencies of government carry out the instructions of the Supreme Commander. Supervision of their performance clearly requires constant vigilance on the part of American civilian personnel in requisite numbers and of appropriate skills. This is particularly vital in such matters as the handling of food and agriculture, rationing and price controls, restoration of trade and industry, allocation of raw materials, currency and public finance, labor relations and the effectuation of the reparations program.

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D) or (E)

NND 750057

By CRD NARS, Date NOV 6 1974

I should like, as a matter of great urgency, to explore with you all possible steps to introduce into the staff of the Supreme Commander a quality of personnel and experience comparable to that which has been made available to the Office of Military Government for Germany. The Department of State stands ready to assist the War Department in all practicable action to this end and will undertake to mobilize the civilian agencies of the Government behind the effort.

Sincerely yours,

/s/ Dean Acheson

Acting Secretary of State

Letter sent to Mr. R. P. Patterson
Secretary of War

A-H: EAGross:cd

April 10, 1947

Excerpts from Report of Joint War, State, and Agricultural
Mission to Japan (Colonel Harrison's Mission)

"...the Mission could not help but feel keen disappointment in the fact that eighteen months after VJ Day there was in existence no well prepared plan for development of exports to pay for imports, no long range agricultural program to increase indigenous food supply, no plan for a balanced supply of chemical fertilizers, no satisfactory supervision of food collection, distribution or rationing, and no vigorous efforts noticeable to stamp out the black market. It appeared to the Mission that the many difficulties besetting SCAP have been somewhat overemphasized and permitted to delay urgently needed action."

The Mission recommends "that the War Department fully recognize that present SCAP personnel is not adequate for the carrying out of the recommendations in this report that are his responsibility." Specifically, it suggests the immediate provision of (a) "at least one thoroughly competent coal producer with necessary technical assistants..."; (b) "one thoroughly qualified coal production expert..."; (c) "a Mission to be headed by a person thoroughly familiar with Pacific fishing, together with necessary technical personnel..."; (d) "one thoroughly qualified person in whom will be centralized the responsibility for the indigenous production of food, fertilizer, and fish, with at least three assistants". Finally, the Mission recommends "that the War Department make vigorous efforts to recruit the personnel required by the Foreign Trade Division of the Economic Scientific Section of SCAP and by other units of SCAP concerned with food and export production which have serious personnel shortages."

Excerpts from Report of February 24, 1947, of the Special Committee on Japanese Reparations (C.S. Strike, Chairman)

1. With respect to reparations planning, the report says "During the field trips made by the Committee, repeated instances of defective planning were discovered which convinced the Committee that should the program continue under present planning the result would be a paralysis of industry such as to endanger the purpose of the occupation."

2. Concerning the departments within SCAP, the report states that "...the manning of the staffs in some of these departments is considered to be wholly inadequate for carrying out a reparations program as presently planned."

3. Specifically, for example, the report comments as follows on the Industry Branch of the Economic and Scientific Section of SCAP:

"It is necessary, however, under Government operation to accomplish this work (of reviewing the entire industrial production balance for Japan) with the men available under Civil Service or War Department limitations as to salary and other conditions, and consequently the talent required for such a task is not present. In making this observation, there is no intent to disqualify any individual from his present position but only to point out that the present established policy in regards to reparations is such as to be unworkable with the organization available for its implementation."

4. In general, it is stated that "The present authorized table of organization allows neither the number of men nor rating high enough to administer competently such individual matters in connection with reparations."

General MacArthur indorsed the report stating to the Secretary of War that:

"This report represents an outstanding contribution to the complex problems involved. It is presented in a comprehensive and authoritative manner and should receive due consideration in the solution of a situation which brooks no further delay."

STANDARD FORM NO. 64

~~TOP SECRET~~

Office Memorandum • UNITED STATES GOVERNMENT

TO : SWNCC - Mr. Moseley ✓

DATE: April 17, 1947

FROM : IS - Dept. of State - Mr. Elliott *JE*

SUBJECT: Approval by the Secretaries of War and Navy of RAC D-6/2a entitled - "U.S. Policy in the United Nations Atomic Energy Commission".

There are enclosed three copies of the above paper which has been approved by the Executive Committee on Regulation of Armaments.

Pursuant to our conversation of yesterday, will you endeavor to obtain the approval of the Secretaries of War and Navy to this paper which is believed to be acceptable to them. As I told you yesterday the paper is being submitted by the AEC Member of RAC to Mr. Lilienthal for his approval.

Please let me know when you have cleared this paper.

3785

ADD 17 1947



Enclosures:
Copies 11, 12, 13
RAC D-6/2a

IS:JCElliott:mw

~~TOP SECRET~~

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
NND 750057
By CRD NARS, Date NOV 6 1974

April 17, 1947

~~TOP SECRET~~
Memorandum for the Secretary of War. ~~TOP SECRET~~

Subject: United States Policy in the United Nations Atomic Energy Commission. (Executive Committee on the Regulation of Armaments RAC D-6/2a Final, April 15, 1947.)

1. The Executive Committee on the Regulation of Armaments has requested that the document (RAC D-6/2a Final) enclosed herewith be referred to you for approval.
2. This document is a revision of the paper (RAC D-6/2) which received the general approval of the Committee of Three at its meeting on April 3, 1947. At that time Mr. Osborn proposed certain amendments to the paper then under consideration and it was agreed that the document should be returned to the Executive Committee for further consideration in the light of the discussion at that meeting.
3. The enclosure has been approved by the Executive Committee and has the concurrence of Mr. Frederick Osborn.
4. It is requested that you advise the Secretary of SWNCC if you approve this document.

H. W. Moseley
Secretary

Enclosure:
Copy 11, RAC D-6/2a Final
Dated April 15, 1947.

~~TOP SECRET~~

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
NND 750057
By CR NARS, Date NOV 6 1974

April 17, 1947

~~TOP SECRET~~

Memorandum for the Secretary of the Navy.

Subject: United States Policy in the United Nations Atomic Energy Commission. (Executive Committee on the Regulation of Armaments RAC D-6/2a Final, April 15, 1947.)

1. The Executive Committee on the Regulation of Armaments has requested that the document (RAC D-6/2a Final) enclosed herewith be referred to you for approval.

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3. The enclosure has been approved by the Executive Committee and has the concurrence of Mr. Frederick Osborn.

4. It is requested that you advise the Secretary of SWNCC if you approve this document.

H. W. Moseley
Secretary

Enclosure:
Copy 12, RAC D-6/2a Final
Dated April 15, 1947.

~~TOP SECRET~~

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
NND 750057
By C.R.D. NARS, Date NOV 6 1974

~~TOP SECRET~~
~~TOP SECRET~~

April 17, 1947

Memorandum for the Acting Secretary of State

Subject: United States Policy in the United Nations
Atomic Energy Commission. (Executive Committee
on the Regulation of Armaments RAC D-6/2a Final,
April 15, 1947.)

1. The Executive Committee on the Regulation of Armaments has requested that the document (RAC D-6/2a Final) enclosed herewith be referred to you for approval.
2. This document is a revision of the paper (RAC D-6/2) which received the general approval of the Committee of Three at its meeting on April 3, 1947. At that time Mr. Osborn proposed certain amendments to the paper then under consideration and it was agreed that the document should be returned to the Executive Committee for further consideration in the light of the discussion at that meeting.
3. The enclosure has been approved by the Executive Committee and has the concurrence of Mr. Frederick Osborn.
4. It is requested that you advise the Secretary of SWNCC if you approve this document.

H. W. Moseley
Secretary

Enclosure:
Copy 13, RAC D-6/2a Final
Dated April 15, 1947.

~~TOP SECRET~~

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
NND 750057
By CPD NARS, Date NOV 6 1974

Copies sent to Woolridge + Johnson

CONFIDENTIAL

Memorandum of Meeting of Representatives of State, War, and Navy Departments, Monday, May 26, 1947, on the Administration of the Pacific Islands

*5/29/47
NLM*

*Prepared by
Allen of State*

STATE	PRESENT	WAR
Secretary Marshall Mr. Allen		Secretary Patterson Asst. Secretary Peterson
NAVY		INTERIOR
Secretary Forrestal Under Secretary Sullivan		Under Secretary Chapman Asst. Secretary Davidson

CONCLUSIONS:

- A. It was agreed that, in Congressional hearings beginning this week on pending bills for the government of Guam, the conclusions reached by the four Secretaries at their meeting of May 19, 1947, would serve as guides for the presentation of the administration's position. Specifically, it was agreed that the draft organic legislation for Guam, now substantially worked out by the Departments of Navy and Interior, should be introduced by way of amendment to one of the pending bills and should include the following:
1. Local self-government
 2. U.S. citizenship
 3. The Bill of Rights (but not the rest of the U.S. Constitution)
 4. Appointment of the future Governor and Chief Justice by the President with the consent of the Senate
 5. Popular election of a Resident Commissioner
 6. Confirmation of the heads of the Guamanian government by the Secretary of the Federal Department with administrative responsibility.
- B. Agreement has yet to be worked out between the Departments of Navy and Interior on the following points:
1. Whether the organic legislation should provide that all federal laws should be immediately applicable, except a specified few or whether only a specific number of statutes should be made to apply; and
 2. Whether, concomitantly, a system of federal courts should be instituted to administer federal law.
- C. There was general agreement that the problem of American Samoa should be handled separately; that the Committee on Public Lands be persuaded not to press for legislation at this session; and that the Navy and Interior Departments would prepare an organic act for Samoa to be presented to the next session.

CONFIDENTIAL

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DISCUSSION:

The Under Secretary of Navy reported that the Navy and Interior Departments had reached agreement on organic legislation for Guam, combining the best features of the pending bills introduced by Representatives Foulson and Bradley, but that the following points remained unresolved:

1. Whether provision should be made for a Resident Commissioner in Washington.
2. Whether the Department heads of the Guamanian government should be confirmed by the Guamanian Senate or by the head of the U.S. Department having administrative responsibility.
3. Whether all federal laws should be made immediately applicable except those which the U.S. believes harmful or not pertinent or whether only those specific statutes which the U.S. believes beneficial should be automatically applied.
4. Whether a federal judiciary system should be immediately instituted.

1. The representatives of the Interior Department urged that provision be made for a Resident Commissioner since
 - a. Puerto Rico and Alaska have such officials and one has been proposed for the Virgin Islands;
 - b. A Resident Commissioner assists the administering Department dealing with the problems of the area and in obtaining needed Congressional action;
 - c. The election of a Commissioner gives the residents a sense of democratic participation.

The Service Departments' representatives pointed out differences between Guam and the other territories and possessions and the need for a Commissioner and questioned the provision as an undesirable precedent for the other Pacific Islands.

2. Interior Department representatives favored confirmation of the Guam "Cabinet" by the Guamanian Assembly. The Under Secretary of the Navy argued that, until the Guamanians were better trained, the Department heads would probably have to be drawn largely from the United States and that the probable tendency of the Guamanian Congress to insist on Guamanians for the posts might create difficulties. Secretary Marshall,

-3-

while first inclining toward favoring local confirmation, referred to early difficulties in the Philippines resulting from precipitant action in granting too great administrative autonomy to untrained local officials.

Points 1 and 2 were recognized as related and it was agreed that there should be a Resident Commissioner in Washington but that the Department heads should be confirmed by the Secretary of the U.S. Department with administrative responsibility.

3. & 4. In urging that all federal laws be made applicable to Guam with limited exceptions and with a system of federal courts, the Interior Department representatives pointed out that this practice was followed with the other territories. However, possible difficulties regarding the applicability of income tax laws were mentioned, and the Under Secretary of the Navy suggested that a number of other statutes may not be applicable. Also, he pointed out that to institute a federal judiciary system would upset the present court system in which 2 of the 5 judges are Guamanians. These two points were left for resolution to further discussions between the Departments of Navy and Interior.

There was no disagreement with the position that, apart from the incorporation of the Bill of Rights in the organic act, the U.S. Constitution should not be made applicable in Guam. To do so, according to Interior representatives, would convert it from a "possession" to a "territory" with the next step that of statehood.

S/S:WPAllen:en
May 27, 1947

Mosley

May 14, 1947

Dear Mr. Secretary:

In response to your letter of May 3rd, I am in entire agreement that since the status of the Japanese Islands has now been substantially determined, it would be desirable for the President's committee to meet to work out a mutually satisfactory policy for the administration of all the Pacific Islands.

I suggest, therefore, that if you are agreeable we meet following the Cabinet Meeting, Friday, May 16. I understand that this time is satisfactory to the Secretaries of War and Navy.

As you know, the State-War-Navy Coordinating Committee has been considering certain aspects of this problem. It has just submitted to the three Departments the following recommendations which could serve as a useful basis for our discussions:

- a. That separate organic legislation for Guam and American Samoa granting citizenship, a bill of rights, legislative powers to island representatives and an independent judiciary, should be drafted by the Navy Department and introduced in Congress as soon as possible.
- b. That organic legislation for the Trust Territory, to be drafted by the Department of State, should be introduced in Congress as soon as possible after the trusteeship agreement enters into force.
- c. That these laws should authorize the President to determine which agency or agencies of the U.S. Government should have permanent administrative responsibility therein.
- d. That

The Honorable
J. A. Krug,
The Secretary of the Interior.

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-2-

- d. That the Navy Department should continue to have administrative responsibility for the islands on an interim basis pending determination of the agency or agencies to be given permanent responsibility.
- e. That pursuant to this, an Executive Order be issued upon approval by Congress of the trusteeship agreement, terminating military government in the Trust Territory and delegating civil administration to the Navy Department on an interim basis.

Faithfully yours,

(Signed) G. C. Marshall

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Memorandum of Meeting of Representatives of State, War, and Navy Departments, Monday, May 26, 1947, on the Administration of the Pacific Islands

File in Com of three Files

<u>STATE</u>	<u>PRESENT</u>	<u>WAR</u>
Secretary Marshall Mr. Allen		Secretary Patterson Asst. Secretary Petersen
<u>NAVY</u>		<u>INTERIOR</u>
Secretary Forrestal Under Secretary Sullivan		Under Secretary Chapman Asst. Secretary Davidson

CONCLUSIONS:

- A. It was agreed that in Congressional hearings beginning this week on pending bills for the government of Guam, the conclusions reached by the four Secretaries at their meeting of May 19, 1947, would serve as guides for the presentation of the administration's position. Specifically, it was agreed that the draft organic legislation for Guam, now substantially worked out by the Departments of Navy and Interior, should be introduced by way of amendment to one of the pending bills and should include the following:
1. Local self-government
 2. U. S. citizenship
 3. The Bill of Rights (but not the rest of the U. S. Constitution)
 4. Appointment of the future Governor and Chief Justice by the President with the consent of the Senate.
 5. Popular election of a Resident Commissioner.
 6. Confirmation of the heads of the Guamanian government by the Secretary of the Federal Department with administrative responsibility.
- B. Agreement has yet to be worked out between the Departments of Navy and Interior on the following points:
1. Whether the organic legislation should provide that all federal laws should be immediately applicable, except a specified few or whether only a specific number of statutes should be made to apply; and
 2. Whether, concomitantly, a system of federal courts should be instituted to administer federal law.
- C. There was general agreement that the problem of American Samoa should be handled separately; that the Committee on Public Lands be persuaded not to press for legislation at this session; and that the Navy and Interior Departments would prepare an organic act for Samoa to be presented to the next session.

The Under Secretary of Navy reported that the Navy and Interior Departments had reached agreement on organic legislation for Guam, combining the best features of the pending bills introduced by Representatives Poulson and Bradley, but that the following points remained unresolved:

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CONFIDENTIAL

1. Whether provision should be made for a Resident Commissioner in Washington.
2. Whether the Department heads of the Guamanian government should be confirmed by the Guamanian Senate or by the head of the U. S. Department having administrative responsibility.
3. Whether all federal laws should be made immediately applicable except those which the U. S. believes harmful or not pertinent or whether only those specific statutes which the U. S. believes beneficial should be automatically applied.
4. Whether a federal judiciary system should be immediately instituted.

1. The representatives of the Interior Department urged that provision be made for a Resident Commissioner since
 - a. Puerto Rico and Alaska have such officials and one has been proposed for the Virgin Islands;
 - b. A Resident Commissioner assists the administering Department dealing with the problems of the area and in obtaining needed Congressional action;
 - c. The election of a Commissioner gives the residents a sense of democratic participation.

The Service Departments' representatives pointed out differences between Guam and the other territories and possessions in the need for a Commissioner and questioned the provision as an undesirable precedent for the other Pacific Islands.

2. Interior Department representatives favored confirmation of the Guam "Cabinet" by the Guamanian Assembly. The Under Secretary of the Navy argued that, until the Guamanians were better trained, the Department heads would probably have to be drawn largely from the United States and that the probable tendency of the Guamanian Congress to insist on Guamanians for the posts might create difficulties. Secretary Marshall, while first inclining toward favoring local confirmation, referred to early difficulties in the Philippines resulting from precipitant action in granting too great administrative autonomy to untrained local officials.

Points 1 and 2 were recognized as related and it was agreed that there should be a Resident Commissioner in Washington but that the Department heads should be confirmed by the Secretary of the U. S. Department with administrative responsibility.

3. & 4. In urging that all federal laws be made applicable to Guam with limited exceptions and with a system of federal courts, the Interior Department representatives pointed out that this practice was followed with the other territories. However, possible difficulties regarding the applicability of income tax laws were mentioned, and the Under Secretary of the Navy suggested that a number of other statutes may not be applicable. Also, he pointed out that to institute a federal judiciary system would upset the present court system in which 2 of the 5 judges are Guamanians. These two points were left for resolution to further discussions between the Departments of Navy and Interior.

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- 3 - CONFIDENTIAL

There was no disagreement with the position that, apart from the incorporation of the Bill of Rights in the organic act, the U. S. Constitution should not be made applicable in Guam. To do so, according to Interior representatives, would convert it from a "possession" to a "territory" with the next step that of statehood.

S/S:WPAllen:em
May 27, 1947

CONFIDENTIAL

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MINUTES
MEETING OF THE SECRETARIES OF STATE, WAR AND NAVY
MAY 21, 1947 - 10:30 A.M.

PRESENT

STATE

SECRETARY MARSHALL
GENERAL HILLDRING
MR. ALISH
Mr. Moseley, Secretary, (SWING)

WAR

SECRETARY PATTERSON
COLONEL HURSON

NAVY

SECRETARY FORRESTAL
UNDER SECRETARY SULLIVAN
REAR ADMIRAL WOODRIDGE

I. The Minutes of the last Meeting were approved.

II. Administration of the Pacific Islands

Decisions:

The Committee agreed:

1. To approve the following text of the Conclusions reached by the four Secretaries on May 16 including certain changes suggested by Secretary Krug in his memorandum of May 19. (See Appendix "A")

a. Separate organic legislation for Guam and American Samoa granting citizenship, a bill of rights and legislative powers to island representatives should be enacted as soon as possible and that the basis for this procedure should be the bills now before Congress. They would require some modification and this should be agreed upon between the Secretary of the Navy and the Secretary of the Interior. Such legislation would become effective immediately except for the transfer of jurisdiction to a civilian agency which would be accomplished at a later date.

b. Organic legislation for the trust territory should be drafted by the Department of State and introduced in Congress as soon as possible after the trusteeship agreement enters into force.

c. That the laws referred to under a and b above should authorize the President to determine which agency of the United States Government should have permanent administrative responsibility therein.

d. That the Navy Department should continue to have administrative responsibility for the islands on an interim basis pending the determination of the agency to be given permanent responsibility.

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provided that wherever there is a significant civilian population the civilian government of these islands will be headed up in a civilian department of the government, at the earliest practicable date, to be determined by the President.

e. That an Executive Order (~~draft attached~~) should be issued by the President upon approval by Congress of the trusteeship agreement, terminating military government in the trust territory and delegating civil administration to the Navy Department on an interim basis, subject to the conditions stipulated under d above.

f. The four Departments, in commenting on the legislation to affect the foregoing, should withdraw any previous comments made to the Budget Bureau as soon as agreement is reached upon the amendments to existing Bills.

2. That Secretary Krug be advised that his proposed changes were acceptable subject to elimination of the word "formal" in the second paragraph of his memorandum.

3. That a further meeting be arranged with Secretary Krug to discuss the problems of administrative responsibility for these islands.

Implementing Actions:

1. Secretary Krug to be advised of the above agreement.

2. That another meeting of the four secretaries be arranged to further consider this matter.

Discussion:

SECRETARY MARSHALL read to the Committee Secretary Krug's memorandum of May 19, setting forth his views regarding the points agreed upon by the four Secretaries at their meeting of May 16, regarding administration of the Pacific Islands. SECRETARY PATTERSON said that Secretary Krug's proposed changes were agreeable to him except that he suggested that the word "formal" be eliminated from the second paragraph of Secretary Krug's memorandum wherein he proposes that organic legislation for the Islands should "become effective immediately except for the formal transfer of jurisdiction to a civilian agency which would be accomplished at a later date." The Committee agreed to SECRETARY PATTERSON'S recommendation in this connection.

SECRETARY FORRESTAL referred to Secretary Krug's comment in the fifth paragraph of his memorandum that the Departments should withdraw their comments before the Bureau of the Budget as soon as agreement was reached on amendments of existing Bills, and pointed out that representatives of the Navy and Interior Departments were now consulting to iron out any differences with respect to the proposed legislation. The Committee agreed that paragraph f of the Conclusions of the four Secretaries should be modified in accordance with Secretary Krug's comment.

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In discussing the problems of administration of the Trust Territory, SECRETARY FORRESTAL called attention to the fact that the smaller islands must in practice be administered from the larger and more populated islands.

III. U.S.S.R. Lend-Lease Settlement**Decisions:**

It was agreed to refer to SWNCC the matter of revising the recapture lists which had been tendered by the War and Navy Departments in their letters to the Secretary of State, dated May 15 and May 8 respectively.

Implementing Action:

The Rearmament Subcommittee of SWNCC has been directed to study and report on this as a matter of priority.

Discussions:

SECRETARY MARSHALL said that it was the view of the State Department that the recapture lists provided by the War and Navy Departments are so extensive that their presentation to the Soviet Government would be likely to render agreement on a lend-lease settlement impossible and cause a further deterioration with our over-all relations with the Soviet Union. The Soviet Union would interpret the difference between such a policy of extensive recapture of equipment and our previous lenient policy in the lend-lease settlements with other governments, as provocative. Introduction of such lists into the negotiations could not fail to impair our attempts to reach agreement on certain other outstanding matters of importance. SECRETARY MARSHALL said that he agreed with this view and that he believed that the recapture lists should be revised to limit our demands to things we actually need. He added that Ambassador Smith had told Mr. Molotov that the U.S. did not intend to exact full settlement for military items given the Soviets under lend-lease, and that submission of these extensive lists would be directly contrary to Ambassador Smith's statements.

SECRETARY PATTERSON said that the question of recapture was more political than practical, and that he agreed to having the lists trimmed down as much as possible. He suggested the possibility of eliminating all strictly military items. SECRETARY FORRESTAL said that he was in general agreement with this, but that we must also consider public and Congressional reaction to any lists that are submitted.

IV. Revision of the Basic Directive to the Commander-in-Chief, U.S. Forces of Occupation in Germany (SWNCC 327/3)**Decisions:**

1. It was agreed to defer any final consideration on this directive until the comments of General Clay had been received.

2. It was agreed that the last sentence of paragraph 16 a, page 84 regarding the standard of living to be allowed the German people be eliminated from the paper.

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Implementing Actions:

The War Department to obtain General Clay's comments to the proposed directive.

Discussions:

SECRETARY PATTERSON said that his comment with respect to the proposed directive was that it was too theoretical in that it presupposes Four Power agreement on many of the issues. He said that it was necessary to be more realistic as such agreement unquestionably could not be obtained.

GENERAL HILDRING said that in drafting this paper the Committee was well aware of SECRETARY PATTERSON'S objection, but that it was necessary to take into consideration the fact that this directive would be publicized. He pointed out that this directive only instructs the Commander-in-Chief to press for agreement of the Four Powers. He said that the new directive is a positive document as compared with the old directive which was a negative one. He pointed out that the punitive elements of the old directive have been removed.

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APPENDIX "A"

THE SECRETARY OF THE INTERIOR
Washington

May 19, 1947

MEMORANDUM for the Secretary of State:

I have your memorandum of May 16, 1947, and the copy of your rough draft memorandum concerning the matters agreed upon at our meeting regarding administration of the Pacific Islands. You requested that I notify you of any suggested alterations.

It is my recollection that in Point (a) we agreed not only that there should be immediate enactment of such acts but also that they would become effective immediately except for the formal transfer of jurisdiction to a civilian agency which would be accomplished at a later date.

In Point (b) of your draft memorandum I thought it was also agreed that the other interested agencies would be consulted in the preparation of the organic legislation prior to its submission to the Congress by the Department of State.

Points (c) (d) and (e) are in accord with my recollection of the discussion.

With respect to Point (f) it was my impression that our previous comments to the Bureau of the Budget were to be withdrawn just as soon as we came into agreement upon the amendments to the existing bills. Since May 26th is the date on which hearings will start on the proposed organic legislation for Guam, I hope we can immediately reach agreement upon the details of these amendments and our comments. Mr. C. Girard Davidson, Assistant Secretary, will conduct the necessary discussions on behalf of this Department.

I have one comment with reference to the proposed Executive Order providing for the interim administration of the Pacific Islands. Since we have reached agreement that where there is a significant civilian population, the civilian government of these islands will be headed up in a civilian department of the Government, at the earliest possible date, I think it would be desirable if an additional "hereas" clause were incorporated to embody this thought. This would tend to offset any possible implication that we intend to delay indefinitely the establishment of civilian administration.

(Sgd) J. A. Krug
Secretary of the Interior

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MINUTES
MEETING OF THE SECRETARIES OF STATE, WAR, AND NAVY
MAY 14, 1947 - 10:30 A.M.

PRESENTSTATE

SECRETARY MARSHALL
 GENERAL HILLDRING
 MR. ALLEN
 Mr. Hoesley, Recorder (SNCC)

WAR

SECRETARY PATTERSON
 ASSISTANT SECRETARY PETERSEN

NAVY

SECRETARY FORRESTAL
 UNDER SECRETARY SULLIVAN
 REAR ADMIRAL WOOLDRIDGE

I. Administration of the Pacific IslandsDecisions:

It was agreed:

1. That a meeting be arranged with Secretary of the Interior at the earliest possible date for the purpose of obtaining agreement on an outline of policy for the administration of these islands, and to obtain agreement, if possible, as to the U. S. Government agency which should have permanent responsibility for administration. Such agreements to serve as the basis for a report and recommendations to be made to the President.
2. That the following statements based on SNCC 364/1 are approved with the understanding that they be presented to the Secretary of the Interior as recommendations of the State-War-Navy Coordinating Committee rather than as approved conclusions of the three Secretaries:
 - a. Separate organic legislation for Guam and American Samoa granting citizenship, a bill of rights, legislative powers to island representatives and an independent judiciary, should be drafted by the Navy Department and introduced into Congress as soon as possible. (par. 4-d of SNCC 364/1)
 - b. Organic legislation for the Trust Territory should be drafted by the Department of State and introduced into Congress as soon as possible after the trusteeship agreement enters into force. (par. 4-g of SNCC 364/1)
 - c. These laws should authorize the President to determine which agency of the U. S. Government should have permanent administrative responsibility therein. (par. 4-h of SNCC 364/1)
 - d. The Navy Department should continue to have administrative responsibility for the islands on an interim basis pending determination of the agency to be given permanent responsibility. (This was tentatively agreed to by the three Secretaries at the May 1st meeting.) (par. 4-c and 4-e of SNCC 364/1)

SECRET

WMA