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MINUTES OF MEETING
OF THE
COMMITTEE OF THREE
WEDNESDAY, DECEMBER 27, 1944, 9:30 A.M.

PRESENT:

Messrs. Edward R. Stettinius, Jr., Secretary of State
Henry E. Stimson, Secretary of War
James V. Forrestal, Secretary of the Navy

Mr. John J. Magley was present as Recorder.

Mr. Stettinius presented a brief memorandum covering pending matters of important interest in the field of foreign affairs, a copy of which is appended to these minutes.

The first item in this memorandum provoked a brief discussion of the Argentine situation and the extent to which the British continue to move against the American policy in this hemisphere, particularly in relation to Argentina. It is apparent that there is a continuance of the British trade block policy even in time of war. The Secretary of War said that he felt strong representations must be constantly made to the British in this regard. It was fantastic that the British should continue with this policy toward Argentina, which is based upon peacetime trade considerations, when the war resources and the policies of the United States had saved the British Empire from destruction in this war. He felt that it was time that that point of view should be stated bluntly to the British. Here was a tangible *quid pro quo* which the British could deliver while we were giving such great aid in carrying on the war and continuing our generous Lend-Lease policies with them.

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Mr. Stettinius then spoke of the possible repercussions which might be provoked in Argentina as a result of the forthcoming conference, at which Argentina was not to be included. He said he thought it was quite clear that Paraguay, Chile, and the bordering countries to Argentina would want to know what military steps we would be prepared to take in the event that Argentina "acted up" as a result of this exclusion from the conference. He said that in order to get these countries to go along with our general policies in this hemisphere it would probably be necessary to give some assurance against any threat of military aggression by Argentina. He asked that the War and Navy Departments take up the question in an appropriate way with their staffs so that he could be prepared for the forthcoming conference. Mr. McCloy suggested that this might be added to the studies by the Joint Chiefs of Staff covering our general military objectives in South America which were already under way for the same meeting. This was agreed.

Item No. 10, the matter of the zones of occupation in Germany, was also referred to by Mr. Stettinius, and Mr. McCloy explained the status of that matter. At OCTAGON the United States had agreed to the British occupation of Northwest Germany on the condition that the control of Bremen and Bremerhaven should be given to the United States Forces so that a ready means of ingress and egress could be effected with the U. S. zone. However, when the matter of defining

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that control came up the British Chiefs of Staff and the American Chiefs of Staff disagreed, the British taking the position that the control which the Americans sought would interfere with their administration of the Northwest zone. The staffs had looked horns on the matter and the U. S. Joint Chiefs of Staff felt that they could not agree from a military point of view to the limitation of the zones until this control matter was cleared up. The result was that the protocol, which was now before the European Advisory Commission, could not be signed. This was unfortunate as it again indicated a difference of opinion between the British and the Americans in the European Advisory Commission. It was agreed that further efforts should be made to work this out on the military level before asking Mr. Stettinius to intercede diplomatically. Mr. Stinson said that he wished to be acquainted with the matter at issue between the staffs and it was understood that Mr. McCloy would report back to the Committee on this matter at the next meeting.

Item No. 9, the matter of our policy toward Indochina, was discussed and reference was made to JCS 1200/1. The Joint Strategic Survey Committee had recommended a reply from the Joint Chiefs of Staff to the Secretaries of War and Navy that they saw no objections from the military point of view to the State Department's proposed aide memoire to the British Embassy on the subject of policy with regard to Indochina. However, it was also suggested that from the military point of view the proposed "Corps Lager d'Intervention" would appear advantageous. Mr. Stettinius stated that he thought a reply along

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these lines was satisfactory and he would take the matter up with the President presenting the military point of view but he pointed out, as all were aware, that the President had some rather definite political views.

The Secretary of War then took up the matter of the Law Mission and read a paper on the subject which reported his conversations with Mr. Richard Law and some comments which had been made by Mr. Harry Hopkins on the objectives of the Mission and how they should be dealt with. A copy of the notes prepared by the Secretary of War is attached hereto. The matter contained in the Secretary of War's notes were generally approved by Mr. Forrestal and Mr. Stettinius. During the discussion Admiral Smith was called in by Mr. Forrestal as the Navy's officer in charge of shipping matters and he remained throughout the rest of the meeting. It was also pointed out that Mr. Hopkins, who had been designated by the President to make the final recommendations as to the proposals of the Law Mission, might wish to utilize this Committee as a means for clearing such recommendations and supporting them to the President. In response to the Secretary of War's reference to a Committee which had dealt with shipping in the last war, Admiral Smith pointed out to the Committee the existence of the United Maritime Authority which had apparently been organized in London as a means of continuing the control of ships of the United Nations. It was pointed out that the United Maritime Authority

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apparently related primarily to post-war or close of the war shipping rather than to the immediate requirements. Mr. Stimson stated that he felt there was a strong need for an Army and Navy analysis of our shipping position in order to avoid arbitrary decisions which might result in pruning our Army and Navy shipping facilities to an inadequate quantity.

Apropos of the Lev Mission and its objectives some cables were read from Kirk, our Ambassador to Italy, and Brand, the Consul General in Palermo, giving some accounts of disorders and violence which had taken place in Italy and Sicily.

Mr. Stettinius then brought up the matter of the proposed economic treatment of Germany. He referred to some discussions he had had with the President and of the desire of Mr. Morgenthau to be kept acquainted with developments in the policy of this Government in this field. He stated the President had indicated that although he looked to the Secretary of State, with the assistance of the War and Navy Departments, as those responsible for the determination and carrying out of this policy, subject to his supervision, that he thought it wise to keep the Secretary of the Treasury informed of all developments, and all agreed that this was a desirable way to proceed.

Mr. Stettinius also brought up the fact that the Government of Saudi Arabia was in bad financial condition. There seemed to be some difficulty in working out a method by which aid could be gotten

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to Saudi Arabia. Lend-lease seemed to be impracticable and the President had indicated that perhaps special legislation might be necessary in order to get the money. The amount involved was around thirty million dollars. He said the matter was now in the hands of Mr. William L. Clayton and suggested that the Recorder might get in touch with Mr. Clayton to see if the Army and Navy Departments might assist in working out some method of dealing with the matter inasmuch as the Army and the Navy were definitely interested in airfields in that area as well as the oil reserves.

Mr. Forrestal brought up the matter of the Swedish shipments to Denmark and Norway. Swedish shipments were moving into Denmark and there was great likelihood that such shipments would move from Denmark directly into Germany, if the shipments were not stopped. Mr. Stettinius said that he personally had been talking with the Swedish Ambassador on this matter and that both from him and Mr. Leland Harrison, our diplomatic representative, he gathered that the shipments to Norway did not constitute any serious flow. Mr. Stettinius stated he had asked Mr. Patterson to talk with Mr. Leland Harrison and he also suggested that this might be a matter in which the Coordinating Committee might follow up.

Mr. Forrestal also spoke of the continued reluctance of the Swiss to stop transit shipments from Italy to Germany. Mr. Stettinius replied that this was a matter that had been before him for some time and that he would continue to exert as much pressure as he could to break this traffic.

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Mr. McCloy brought to the attention of the Committee the proposed reply to the British Chiefs of Staff on their proposal that the Combined Chiefs of Staff should approve the action of SACHED in dispatching the 4th British Division to Greece in connection with the recent trouble there. Mr. McCloy read a proposed memorandum prepared by the Joint Strategic Survey Committee for the United States Chiefs of Staff in reply to the British Chiefs of Staff on this matter. The proposed memorandum, in substance, stated that the United States Chiefs of Staff did not consider it appropriate that the Combined Chiefs of Staff formally approve SACHED's action inasmuch as the Directive (JMS 409) under which SACHED exercised his responsibility for these military operations specified that he was to act purely in his British capacity. Mr. Stettinius on behalf of the State Department approved this action on the part of the Joint ^{Strategic Survey Committee} Chiefs of Staff subject to confirmation by Assistant Secretary Dunn of the State Department. *

It was also noted that on the 29th there would be a meeting in the Secretary of War's office, at which the Secretary of the Navy and the Secretary of State had been invited to be present, to discuss the matter of Universal Military Training with a certain number of prominent educators in the country. Mr. Stettinius stated he could not be present that day on account of another meeting but he was asking Mr. Crow to attend. It was arranged that outlines of subjects would be distributed to the Secretaries preliminary to that meeting.

* This approval was obtained by the Recorder from Mr. Dunn at luncheon after the adjournment of this meeting.

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