

STANDARD FORM NO. 64

CONFIDENTIAL

10. 07 54

Fossel, Leslie

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Cheston
FROM : The Secretariat
SUBJECT: Lt. Leslie Fossel, USNR

DATE: 27 February 46

A special exception would have to be made for the payment of a per diem under the circumstances described in the attached, since a naval officer under navy regulations would not be entitled to receive a per diem for duty in Washington even though he were required to report once a week to a naval hospital elsewhere. I understand from Lt. Helms that in this particular case General Donovan once before approved an arrangement such as this and that Lt. Fossel is unwilling to come to Washington to work unless some arrangement similar to this is made. Technically Lt. Fossel can refuse to come, since he is assigned to the naval hospital at St. Albans.

C. A. Fane
C. A. Fane

Attachment

Shouldn't General Counsel look at this?

RT

~~For~~
List to review
please give me your opinion
on the attached items

etc

CONFIDENTIAL

OSG Form 4101
(Rev. 11/21/44)

OSG SECRETARIAT - ROUTE SLIP
DATE

TO	NAME	INITIALS
	O. C. Doering, Jr.	
	J. J. Monigan	
	R. J. Patsell, Jr.	
	R. Thrum	
✓	<i>C.A. Bane</i>	
	D. C. Lee	
	J. W. Anchiavosa	
	W. B. Kantack	
	W. H. Miley	
	P. P. Pugliese	
	A. W. Solloway	
	J. B. Donovan	
	A. W. Amath, Jr.	
	A. L. Dart	
	H. H. Hamilton	
	L. R. Houston	
	C. S. McClelland	
	J. L. McDonnell	
	J. R. Schoemer, Jr.	
	Secretariat Files	
	Director's Files	
	O. G. C. Files	

033 FORM 10013

GENERAL COUNSEL - ROUTE SLIP

DATE 3/24/98

TO	NAME	INITIALS
<input checked="" type="checkbox"/>	J. B. DONOVAN	
	A. W. AMULII	
	N. J. GUN	
	J. J. FORTYTH	
	W. L. FOX	
	H. H. HAMILTON	
	G. P. HENDERSON	
	L. H. HOUSTON	
	J. J. MARBACH	
	L. J. M. CILLIARD	
	J. L. M. DONNELL	
	J. H. SCHUMER	
	J. J. WARNER	
	O. G. C. FILES	

I discussed this with Dick Helms
 & Tom Beale & reported the information
 to CAB. The latter then requested
 that the memo be returned to
 him.

Below is a routing slip to
 CAB.

M.O'D: previous correspond-
ence on this man is in the 1
1943 files. There isn't
much anyhow--just a request
to chief of Naval Personnel
for a promotion for him.

STANDARD FORM NO. 64

CONFIDENTIAL

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, OSA

FROM : Chief, SI

SUBJECT: Lt. Leslie Fossel, USNR

DATE: 18 February 1946

Lt. Fossel is presently at St. Alban's Hospital, New York. We are desirous of having him replace Lt. Richard Helms, USNR, as a member of the Central Europe-Scandinavian Section, SI. Lt. Helms is leaving on or about February 24 for duty with SI Branch, ETO and eventual duty in Berlin.

It has been possible to make arrangements whereby the Navy will permit Lt. Fossel to work in Washington. Navy Regulations will not permit his assignment to Washington, and he will therefore have to come to Washington on a "Permission to Leave Naval District Pass." Furthermore, it will be necessary for him to report for inspection at the U.S. Naval Hospital, St. Alban's on Saturday of each week.

Under the above conditions it is not possible to make the customary arrangements for the use of Government Travel Requests for transportation, nor is it possible to write orders which would permit the payment of per diem to Lt. Fossel while on duty in Washington.

It is requested that you approve the payment from Special Funds of a per diem of \$7 to Lt. Fossel during the period he is officially assigned to the Naval Hospital at St. Alban's but is actually working in Washington, and the payment of his transportation to and from New York weekly.

You will remember that you made somewhat similar arrangements during the period that Lt. Fossel was working in Washington several months ago although still assigned to St. Alban's Naval Hospital.

Whitney H. Shepardson
Whitney H. Shepardson

CONFIDENTIAL

Page 26
Hand. Comdr. John
CONFIDENTIAL

25 July 1945

TO : Chief of Naval Personnel
 Via: Commanding Officer, OCS Naval Command

FROM : Director of Strategic Services

SUBJECT: JOHN FORD, Commander USN
File #73667

1. It is requested that orders be issued to subject officer directing him to return to active duty and report to the Commanding Officer, OCS Naval Command, for duty with the Office of Strategic Services.

2. From December, 1941 until 27 October 1944, Commander Ford was Director of all photographic activities of the Coordinator of Information and its successor, the Office of Strategic Services. In this capacity Commander Ford has been the chief advisor and assistant to the Director of Strategic Services and has commanded all photographic activities of OSS in support of the secret intelligence activities and special operations conducted by it under directive of the Joint Chiefs of Staff. Commander Ford's professional qualifications, his intimate knowledge of the operations of OSS, and his long service with this agency would make his re-assignment to OCS of special value to the successful conclusion of its operations, particularly in the China and India/Burma Theaters.

3. At the request of the Secretary of the Navy, Commander Ford was released in September, 1944 from active duty with this agency (Appendices A, B and C) in order to direct the making of a motion picture based upon the story "They Were Expendable" by Mr. William L. White. It was requested at that time (Appendix B) that upon completion of the motion picture Commander Ford be returned to active duty for further service with OSS.

4. The picture has now been completed, and on 20 July 1945 Commander Ford took a physical examination at the Navy Dispensary, Washington, D. C. but was disqualified because of a broken leg which he had suffered during the making of the picture.

CONFIDENTIAL

CONFIDENTIAL

Chief, Naval Personnel - 2 -

25 July 1948

5. This injury, however, will not impair the usefulness of Commander Ford's services to this agency in view of the important administrative nature of the duties which he will be called upon to perform.

6. It is therefore requested that orders be issued in accordance with paragraph 1 above.

For and in the absence of the Director:

G. G. Deering, Jr.
Lt. Col., AUS
Assistant Director

nr

CONFIDENTIAL

Yugoslav Political

Handwritten notes and markings in the top right corner.

SECRET

December 29, 1942

MEMORANDUM FOR COLONEL DONOVAN:

After consulting with Colonel Goodfellow this morning, I sent the attached letter to L. M. C. Smith at the Department of Justice since I had promised to give him an answer today to his inquiry regarding possible political effects of a mooted Grand Jury action in Pittsburgh touching the Yugoslav situation.

This matter was previously outlined to you in my memorandum of December 22nd.

DCP

D. C. Poole

SECRET**December 29, 1948**

**L. M. G. Smith, Esquire
 Chief of the Special War Policies Unit
 Department of Justice
 Washington, D. C.**

Dear Sam:

Regarding our conference December 22nd, let me first of all thank you for consulting us with regard to possible effects in the field of psychological warfare of a mooted Grand Jury inquiry at Pittsburgh into law infractions possibly connected with the Yugoslav political situation in the United States. Your readiness to talk with us about matters of this kind is much appreciated.

I understood you to put three questions:

(1) If an "even-handed" procedure were developed so that the hand of the law appeared to fall without discrimination upon all important elements entering into the political situation in question, what might the political effects be abroad?

(2) What might the political effects be in the United States?

(3) If the idea of "even-handedness" were not made paramount and proceedings were directed against only one organization, such as the Croatian Home Defenders, what might the effects be then?

- 2 -

Naturally you are not consulting us with regard to the legal aspects of the situation; we may assume that proceedings will be begun only where the Department of Justice finds fully adequate legal ground.

It may be remarked that to secure "even-handedness" reliance need not perhaps be placed upon court proceedings alone. The visa case of Jovan Duchich might become an item on the Serbian side; also possibly diplomatic action by the Department of State respecting the activities of public functionaries of Yugoslavia in the United States, such as the Bishop Dionisije. I understand it to be your idea that the outcome of a Grand Jury inquiry might be not only one or more indictments but also the disclosure of information, not new in hand, such as could conceivably form a basis for diplomatic action.

With regard to your first question, I need hardly observe that what would appear to all parties concerned and to the general public as true even-handedness may be difficult to achieve. For example, a Grand Jury in Pittsburgh might conceivably inquire with more interest and vigor into the case of the Communistically inclined newspaper Slavenski Borba than into the case of the Amerikanaki Borba. If it turned out to be so, our relations with leftist elements in Yugoslavia might suffer, and no good would come to our relations with Moscow.

- 3 -

Assuming, however, that "even-handedness" were convincingly achieved, I should then say, with regard to your first question, that the very best that we could hope for abroad would be no political effect at all. If, on the other hand, even-handedness seemed not to be achieved, then the situation in Yugoslavia could only be exacerbated on one side or another, as well as our relations with Soviet Russia. Outside of the United States there would appear, then, to be nothing to be gained by the mooted inquiry and possibly a good deal to be lost.

With regard to possible domestic effects (your second question) I assume you are consulting O.W.I. According to my personal view it is only in the domestic field that a Grand Jury inquiry of the kind mooted might yield substantial good in a political sense. I have in mind the quieting effect, apparently anticipated by those at the meeting in Mr. Berle's office December 16th, which an affirmative display of authority might have upon unwarranted Yugoslav political activity in the United States and perhaps throughout the whole range of foreign politics in the United States.

Again the balance between possible good and bad would seem to turn upon the question of "even-handedness" or what would, or would not, be judged to be even-handedness by the parties concerned. I have already adverted to the possibility that the Glavanina tag might appear to be borne upon mere

- 4 -

heavily than the ~~American~~. That could have unfortunate political effects. The reverse case would be equally unfortunate. If a disparity appeared to exist as between treatment of Serb and Croat, that too would be unfortunate; and it might be doubly so because, as you know, the number of those in the United States of Croat extraction is much greater than those who stem from Serbia, and so the proportion of the two elements among our factory workers.

Coming finally to your third question, I assume that if the statutory case against the Croatian Home Defenders is sufficiently strong, you will proceed simply as a matter of law. Having in mind solely political effects I should say that it would be much better if, on the principle of even-handedness, action could be taken concurrently against any delinquents of a Serbian color who are in sight, the more so in view of the disparity, just now mentioned, between the number of Croatian- and Serbian-Americans.

In sum, then, there would, in my judgment, seem to be nothing to be gained in political warfare abroad at this time by legal action of the sort under discussion, and conceivably a considerable loss if the action taken appeared, or could be made to appear, not quite "even-handed." The possible good which might be hoped for lies solely in the domestic field. This possible good might turn into certain harm, if the attendant publicity were not so adroitly handled as to assure that what was real "even-handedness" appeared to all concerned to be such indeed.

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If possible effects abroad and at home are judged together, we would seem to come out without any clear preponderance of advantage over disadvantage politically but rather a danger of the latter. The opportunity for any preponderance of political advantage appears to depend upon the feasibility of "even-handedness," and in estimating that, as I have said, you will probably wish to consider not only the feasibility of substantial even-handedness but the attainability of the appearance of even-handedness.

Yours sincerely

Dewitt C. Poole

DCP:mfk

6.5.48
1. State
2. Smith L.A.C.
3. Special Inquiry Proceed
4. Little enough
5. Yugoslavia

SECRET

December 22, 1942

MEMORANDUM FOR COLONEL DONOVAN:

At the Department of Justice this morning I conferred with L. M. C. Smith, Chief of the Special War Policies Unit, War Division, and his assistant, James R. Sharp, regarding the advisability of starting grand jury proceedings in Pittsburgh looking to indictments, or possibly just the disclosure of information respecting the Yugoslav political situation in the United States. Mr. Smith remarked that the Department of Justice would of course have to decide whether a grand jury inquiry was indicated by legal factors and considerations, but he had laid down the principle that decisions of this kind should not be taken without prior inquiry of OSS, State, OWI and perhaps other appropriate agencies regarding possible effects on "political warfare" abroad and at home.

You will remember that the possibility of a grand jury inquiry was first broached, very confidentially, at a meeting of the inter-departmental committee in Mr. Berle's office December 16, Colonel Goodfellow being present as well as myself. It seemed to be the consensus on that occasion that what Mr. Berle called an "even-handed" inquiry, bearing equally upon possible derelictions among the Croats and among the Serbs, might have a beneficial deterrent effect upon all foreign factional agitation in the United States. Mr. Berle emphasized

his own viewpoint that "factionalism" (in Alexander Hamilton's sense) had now come to an intolerable point among the Yugoslavs in the United States. While the consensus seemed to be general, several (including myself) spoke of the delicacy of the publicity problem which would arise and also of the danger of a grand jury inquiry, once started, becoming a "Salem witch hunt."

This morning Mr. Smith said to me that he solicited the advice of OSS on three questions. Before stating these questions I should record that during a preceding talk with Mr. Sharp alone I gathered that the legal staff in Mr. Smith's office feels that it has at present only one water-tight legal case. That is against an organization known as the Croatian Home Defenders which was set up here some ten years ago by Ante Pavelich himself -- Hitler's present Croatian quisling. The organization has now ostensibly disbanded but Mr. Sharp believes that it continues alive underground and can become a source of disturbance and danger if and when American forces arrive in Yugoslavia. None of the cases on the Serbian side, which might balance this Croatian case to produce an "even-handed" procedure, are as yet so well perfected legally as this Croatian case.

However, assuming (said Mr. Smith) that a grand jury inquiry in Pittsburgh would go ahead on an "over-all" or "even-handed" basis, he would like to know the opinion of OSS respecting the probable effects, if any, on "political warfare" --

- 3 -

(1) In the situation abroad, that is, in and around Yugoslavia; and

(2) At home, that is, in relation to internal security and the disposition of the ethnic elements affected to cooperate in the war effort -- factory work, bond-buying, etc.

The third question he had in mind was this:

(3) What, if any, might be the political consequences, particularly at home, in case the Department of Justice proceeded, not with an eye to "even-handedness", but simply against the Croatian Home Defenders, making no overt attempt to deal at the same time with delinquencies charged against Serbian elements?

Regarding Mr. Smith's first question a brief informal discussion among us three indicated some general agreement on one aspect at least of the political situation in Yugoslavia, namely this: The current fighting in Yugoslavia turned not only on national divisions, as between Croats and Serbs, but also on social issues. Civil war was going on alongside of, and cutting across, national war: If American forces entered the Yugoslavian region they might find that Mihailovich had indeed been husbanding his forces against the coming of the Americans and could now be of substantial military help. We might well wish to accept this help, although to do so would have the political effect of aligning us on the side of "Greater Serbia" and also on the conservative side of the Yugoslav civil war, while our Russian ally was appearing in exactly the opposite position.

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Against some such background Mr. Smith asked, what might be the political effects, favorable or unfavorable, of the suggested grand jury inquiry in Pittsburgh?

The present memorandum is being prepared hastily in order to get the general position before you -- I am leaving for New York shortly; but this tentative comment is offered on Mr. Smith's question. A great disproportion seems to exist between the broad political problem of Yugoslavia in Europe and the mooted action in Pittsburgh. If a grand jury inquiry were in progress when the Yugoslav military situation became active in Europe, the political repercussions in the United States might be exacerbated; but it is difficult to see how the situation in Europe could be helped. The most that could be hoped for, I should say, would be some quieting down of political feeling among Yugoslavs in this country and so perhaps a better directed war effort on their part.

Regarding his second question Mr. Smith will probably consult OWI. For this Branch I can offer at the moment only this comment: The disposition of the grand jury might easily be to concentrate upon derelictions of the Communist Yugoslav newspaper in Pittsburgh, the Slovodna Rec, and to neglect relatively those of the Serbian Nationalist Amerikanski Srbobran. The Slovodna Rec is in effect the mouthpiece here for Moscow. If punishment fell on the Rec and not on the Srbobran, what would be the effect on feeling in this country and particularly on relations, already not so good perhaps, with our gallant ally?

- 5 -

Of course, even-handedness must be even all around. No doubt the ideal would be, and perhaps the practical opportunity exists, to lay the hand of government alike on Serb and Croat and Communist and bourgeois nationalist.

On this subject of even-handedness I would point out that, as between the Croats and Serbs, possibilities of court action are not alone involved. Compensatory action on the Serbian side might involve refusal to extend further the temporary visa of the Serbian ex-Minister and "Greater Serbia" propagandist, Yovan Duchich. And the State Department might act on diplomatic grounds against the Serbian Bishop Dionisje, who is a public functionary and paid as such by the Yugoslav Embassy.

Since Mr. Smith asked for a reply, or some intimation from us, by early next week, I am hastening to broach to you the whole complicated situation. Perhaps I shall submit a supplementary memorandum when I have had more time to reflect. I am presently impressed by what seems to me the great disproportion between the size and bearings of the whole situation on the one hand and the relative insignificance of the action mooted in Pittsburgh; and especially am I impressed by the disproportion appearing to exist between possible gains on the one hand and the danger on the other of complications and unfavorable reactions.

If the Justice Department has a perfect legal case against the Croatian Home Defenders, they had best proceed as

- 6 -

the law stipulates in this and any similar cases. Of course, if even-handedness can be achieved, that is highly desirable; the cooperation of the State Department in the aforementioned visa case and diplomatically vis-a-vis the Yugoslav Embassy and its dependents might well be sought with this in view. The general principle of action should, I think, be that which you stated in conversation with me. Saturday evening -- Proceed on strictly legal grounds and do not seek political objectives through so uncertain an instrument as a grand jury.

May I suggest in conclusion, however, that the care and friendliness which Mr. Smith has shown in seeking at an early stage our advice on the "political warfare" aspect of this problem is something to be encouraged, and that the answer to be given Mr. Smith should be carefully framed with this in mind? On some future occasion coordination with Justice might be altogether vital.

ACP.

D. C. Poole

*Franklin's
Instructions
& by ...*

October 6, 1942

Mr. James Robert Franklin
160-09 Laburnam Avenue
Flushing, Long Island, New York

Dear Mr. Franklin:

✓ This letter will formally instruct you that you are, as of this date, a properly accredited employee of the Office of Strategic Services, United States Joint Chiefs of Staff.

You will proceed to West Africa, where you will report to and place yourself at the disposal of Mr. A. T. Hutcheson. You will receive from him instructions as to the specific details of your work.

Sincerely yours,

William J. Donovan
Director

Frankfurter, E. 1119
LF 3 I
10.15

September 11, 1948

The Hon. J. Edgar Hoover
Director, Federal Bureau of Investigation
Department of Justice
Washington, D. C.

Dear Edgar:

This is in reply to your letter regarding Miss Estelle Frankfurter, who was investigated by your office under Public Law No. 188 -- 77th Congress.

Miss Frankfurter was connected with that Division of the Office of Coordinator of Information which went over to the Office of War Information under Mr. Elmer Davis. For that reason, the papers should be forwarded to that office for action.

Sincerely yours,

William J. Donovan

RMA :mb

Freeman, via 7726
AUSA

March 8, 1943

MEMORANDUM

From: Colonel Donovan
To: Commander Vanderbilt

I understand that by keeping a proper time sheet in my office on Freeman, it would be possible for him to receive overtime pay. He regularly works between 10 and 12 hours a day, and usually on Sundays, and if there is any way he could be paid for the excess overtime, I would like to have it so arranged.

W.J.D.

OFFICE OF STRATEGIC SERVICES

INTEROFFICE MEMO

TO: Mr. James R. Murphy

FROM: James B. Opsata

SUBJECT: Salary Increase Proposed for Freeman.

DATE: November 24, 1943

Freeman's salary was raised from \$1320 to \$1500 in August of this year. In addition, we were able to get a second chauffeur position classified at \$1500 for a personal chauffeur for Col. Buxton.

It is not possible to reclassify Freeman as he is in the top chauffeur classification now.

As suggested sometime ago, I would think a second chauffeur for Col. Donovan should be put on. Then Freeman could work from say 7:00 a.m. to 3:30 p.m. and the second man from 3:30 to mid-night.

*THANK TO
Freeman*

~~Freeman and Vincent 1136~~
X wages

November 17, 1962

MEMORANDUM

FOR: Mr. Opsata

FROM: Mr. Murphy

Colonel Donovan has spoken to me about having Freeman's salary increased. Recently, Freeman's working hours have extended to late hours of the night from early morning. He is receiving the same salary now as Vincent which should not be the case. I believe that Freeman should be getting \$1680. I wish you would let me know whether something can be done.

~~OFFICE OF STRATEGIC SERVICES~~
~~COORDINATOR OF INFORMATION~~

Freeman 7/13/52
James B. Opsata
James A. Murphy

INTEROFFICE MEMO

FROM: James B. Opsata

DATE: August 6, 1952

TO: Mr. James A. Murphy

SUBJECT:

The Act of August 1, 1942, setting minimum wages for certain positions in the Federal Government, will raise the salaries of our regular classifiers to \$4300 per annum.

James Freeman, in accordance with provision of the same act, will be raised to \$4500 per annum. These promotions will be effective August 1, 1942. This information is furnished you in response to your memorandum of August 1, 1942.

~~SECRET~~ 7734
* 43-72

August 1, 1942

MEMORANDUM

For: Mr. Opsata

From: Mr. Murphy

The Colonel has spoken to me about trying to get a raise in pay for his chauffeur, James Freeman. I don't know how the new bill setting minimum wages will affect the situation. If all the other chauffeurs go up to \$1500, Freeman should be in a higher category. Would you let me know whether anything can be done?

ARTICLES OF FOREIGN ORIGIN

The "Buy American Law", (41 U. S. C. 10a) provides as follows:

"Notwithstanding any other provision of law, and unless the head of the department or independent establishment concerned shall determine it to be inconsistent with the public interest, or the cost be unreasonable, only such manufactured articles, materials, and supplies as have been mined or produced in the United States and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials or supplies mined, produced, or manufactured, as the case may be in the United States shall be acquired for public use."

In this instance, however, I certify that the articles, or the materials from which this item is manufactured, is not mined, produced, or manufactured, as the case may be in the United States in sufficient and reasonable available commercial quantities and of a satisfactory quality to meet the needs of this organization. I also certify that this particular item is necessary to the accomplishment of the program in this service.

William J. Donovan

P. O. 5453-42

July 16, 1942

Mr. C. W. Barnes
Chief of Budget & Finance Division
Office of Strategic Services
Washington D. C.

Dear Mr. Barnes:

In accordance with the provisions of Allocation Letter No. 42/12, issued July 3, 1942 by President Franklin D. Roosevelt which states:

"Provided, That the Director may delegate the power to a designated official to determine the need for and authorize (1) the change of official station of employees including the movement of household effects, and (2) the purchase of articles and materials of foreign origin".

You are hereby authorized on my behalf to execute certificates regarding the purchase of articles and materials of foreign origin effective July 16, 1942, and continuing until revoked by me in writing.

Very truly yours,

William J. Donovan

cc: Mr. C. W. Barnes
Mr. John Stacy
Mr. John Stacy
on account of the

Bureau The State of

Mr. James D. Opsata

Cws: Raa

*For info only, Jerome B. Powell
7/10/42, M. 2011*

DEPARTMENT OF STATE

WASHINGTON

*Copies to Kimberl
Williamson
Goodfellow*

In reply refer to
FC 800.20211 Fourand, Dimite Bowen George/1

JUN 10 1942

CONFIDENTIAL

The Department of State transmits to the following
the attached information in the hope that it will be of
value:

- Military Intelligence Division
- ~~Office of Naval Intelligence~~
- Federal Bureau of Investigation
- ✓ Coordinator of Information

Enclosure:

Copy of paraphrase of telegram no. 68, dated June 5,
3 pm, from Jerusalem, concerning Dimite Bowen George
Fourand and Marie Politis.

PARAPHRASE OF TELEGRAM

FROM: Jerusalem
TO: June 5, 1942.
DATE: Secretary of State
NO.: 68

A letter from Dimitri Bowen George Fournad, Savoy Institute, 206 East 58th Street, New York City which was addressed to Marie Politis, Istanbul, under date of January 27, 1942 indicated a desire on the part of Fournad to have correspondence forwarded to Bulgaria. The letter enclosed newspaper cuttings mentioning military camps and showing a night view of New York including probable search lights. Report of the above was furnished by the Chief Political Information Jerusalem. A more complete report will be sent by pouch.

PINKERTON



Foreign Labor Movements 6328
~~T-Rec'd~~

April 8, 1942 *Dulles*

To: Colonel William J. Donovan *file*
From: Allen W. Dulles

In our work here in New York we are developing close working relations with representatives of various foreign labor movements, particularly organizations operating in France. In this connection we are working with the representatives of the International Transport Workers Federation and with French labor organizations, whose head, M. Leon Jouhaux, is detained in unoccupied France.

I am very much impressed with the possibilities which these contacts present and with the sincerity and energy of their representatives here. I am convinced that there is a great deal to be done in this field and that every means should be taken to encourage these groups. They are working from conviction and not for money. They can be among our surest allies, both in resisting the Nazis by actual sabotage in factories working for Germany and by becoming a valuable underground source of information.

Now that labor in this country is more and more united back of the war effort, it is worth considering whether it would not be timely for the President or other high administration spokesman to consider a message directed to the free workers of the world. This would give encouragement that is badly needed, particularly by the workers in countries like unoccupied France and in the occupied countries of Europe.

If you think this idea is worth pursuing, I should be glad to study with the representatives over here of these foreign labor movements and pass on to you the type of message which they feel would be most calculated to keep up the spirits of loyal workers abroad and thus help us to maintain, through them, the contacts necessary for S.I. and S.O. work.

AWD

Friediger

DEPARTMENT OF JUSTICE
UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF NEW YORK
NEW YORK, N. Y.

ABC

June 2, 1942

ADDRESS REPLY TO
"UNITED STATES ATTORNEY"
AND REFER TO
INITIALS AND NUMBER

RLW

M 67-244

SECRET.

Hon. William J. Donovan
Coordinator of Information
Washington, D. C.

Re: Charles E. B. Friediger.

Sir:

Reference is made to your undated letter, with respect to the above named alien, and to your letter dated May 7, 1942 and its enclosure dated May 3, 1942, with respect to the above named alien.

In accordance with your request, prosecution of this alien for violation of the Alien Registration Act of 1940 has been declined and the Immigration and Naturalization Service has been instructed to register the alien. The alien will doubtless soon be instructed by the New York local office of the Immigration and Naturalization Service to appear for such registration.

Respectfully,

Mathias F. Correa

MATHIAS F. CORREA,
United States Attorney.

FOR DEFENSE



*Not Recommended for Release
Friediger
172 J. Edgar
A. L. ...*

SECRET

United States Attorney
United States Court House
New York City

Sir:

Having reference further to Case #67-444
and supplementing my recent letter to you in that
connection, I forward now a copy of a memorandum
submitted to one of our staff by Mr. Charles M. J.
Friediger in which he sets forth the circumstances
of his entry into the United States and explains
the reason for his failure to register in the
proper way.

I believe that this statement by Mr. Friediger
shows that he acted in entire good faith and, as pre-
viously stated, I should be grateful if you could now
permit Mr. Friediger to register nunc pro tunc.

Yours faithfully,

William J. Donovan

Enclosure
DCPOOLE:mfk

COPY

May 3, 1942.

I received a visitor visa by the U.S. Consul at Lisbon, Portugal on August 8, 1940. The visa was granted on recommendation of the Department of State. I did not make use of the visa until June 1941.

While I was in Lisbon, the regulations were changed. The finger printing was done at the consulates. In Lisbon most visitor or emergency visas were converted into immigration visas. I did not apply for an immigration visa as my intention is to return to my country after the war.

When I arrived in the port of New York, I asked the Immigration Officer if I had to fulfill any formalities after he had granted me admission. The answer was no. The officer most probably overlooked the fact that my visa had been granted before the new regulations were effected.

When the Immigration Department of the National Catholic Welfare Conference told me that I had failed to register I went immediately to the Post Office. I filed an affidavit before an officer of the Department on November 6, 1941.

I certainly should have studied the instructions and I am guilty of negligence. But I can assure you that I believed that I had fulfilled my obligations.

Yours very sincerely

(signed) C. B.B. Friediger

Handwritten notes:
Friediger - BB
7719
Friediger's activities

SECRET

United States Attorney
United States Court House
New York City

Sir:

With reference to Case M67-244, Charles B. B. Friediger (first name sometimes given as Carle) is favorably known to this office.

If he has failed to register as an alien in accordance with the law and regulations, we feel confident that his dereliction has not been willful. Indeed, members of my staff spoke to him about the matter recently, and it was clear that he had sincerely believed that he had done all that was required of him as a citizen of Austria.

In the circumstances, we should be very grateful if you could permit him to register ~~under~~ ~~his~~ ~~name~~; and we should be grateful if the taking of legal steps against him could be avoided, since we are convinced that he has acted in entire good faith and his services at the present time are proving to be very useful.

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Please let me know in case there are further steps which it would be desirable for me to take in the premises, and please count upon my full cooperation with you at all times.

Faithfully yours,

William J. Donovan

DCP/cpe
4/11/42

*File in the appropriate - 5/12/42
- Title based
- [unclear]
- [unclear] - jdl*

MOST SECRET

April 7, 1942

MEMORANDUM FOR COLONEL DONOVAN:

Conversations are in progress between Mr. Welles and Lord Halifax relating to basic policy in respect of "free movements." Subordinates in the State Department do not appear to know what line Mr. Welles is taking in these conversations or what progress has been made. It is doubted if even Mr. Berle knows. A proposal was put forward that Mr. Hoskins should be present at the most recent meeting, which took place a short time ago, but the proposal was declined. Mr. Welles has made no memoranda of the conversations, at least none which have filtered down through the ranks.

A joint statement by Tibor Eckhardt and Davila relating to the role of their respective countries in the present situation has been agreed to by them under Mr. Hoskins' guidance. Possible use of the document awaits some issue of the Welles-Halifax conversations.

Meanwhile, it is learned from a British source that a meeting took place this morning at the British Embassy to consider the line which Lord Halifax ought to take in his conversations with Mr. Welles. There transpired at this meeting criticism of the Department of State respecting the attitude which it had developed

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toward Tibor Eckhardt. Apparently it was decided that Lord Halifax should take a strong line with Welles on the occasion of their next meeting. It was pointed out, among other things, that the special consideration which the State Department had shown Tibor Eckhardt had led the Russians to develop a movement of their own in favor of Karolyi.

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UNITED STATES GOVERNMENT
COORDINATOR OF INFORMATION
WASHINGTON, D. C.

April 20, 1942

TO: Colonel Donovan
Major Bruce
Mr. Williamson

FROM: Hugh R. Wilson

Herewith attached report by Dulles,
dated April 17, covering Hungarian and Rumanian
"Free Movements". Copy has been sent to Wiley.

HRW

Attachment



cc: To Mr. John P. Wiley

[Handwritten signature]

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Free Press Co. 5/1/67

copy [unclear]

CONFIDENTIAL

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April 17, 1948

To: Hugh R. Wilson
From: Allen W. Dulles

CONFIDENTIAL

I enclose in duplicate copies of a memorandum with enclosures, which A. J. H. handed to me with the request that it be passed on to John Wiley. These papers which relate to the Hungarian and, to some extent, the Roumanian, "Free Movements", are so interesting that I thought you should have copies for your files. Please see that they get to John as promptly as possible.

A. W. Dulles

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11th April, 1942.

Among the many exposés of, and attacks against Tibor ECKHARDT which have been made in the form of brochures and newspaper articles, the most significant has been that of the Union for Democratic Action, which issued the text of the correspondence on this subject between Professor Reinhold NIEBUHR, chairman of the Union, and the Acting Secretary of State, Mr. Sumner WELLES.

The full text of the correspondence is attached hereto:

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March 26, 1942.

Hon. Sumner Welles,
Acting Secretary of State,
Department of State,
Washington, D.C.

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Dear Mr. Welles:

It has recently come to my attention that the Department of State has been working "in close cooperation" with Dr. Tibor Eckhardt's so-called "Free Hungary" movement and the American-Hungarian Federation. Mr. Harold B. Hoskins, executive assistant of the State Department, has asserted that "the activities of Mr. Eckhardt's committee and those of the American-Hungarian Federation are fully known to this Department and have been worked out in close cooperation with us." Mr. Hoskins adds that "their set-up is entirely in line with the Government's policy."

In view of the questionable record of Dr. Eckhardt and his vacillating policy on democratic issues, it seems strange indeed that he should enjoy the confidence of the State Department and be able to boast of a complete understanding with the Government of the United States. This is doubly reprehensible because the State Department has consistently tended to discourage genuine Free Movements of other countries. Yet, the un-democratic "Independent Hungary" movement of Dr. Eckhardt receives the State Department's blessing.

If the State Department actually believes that Dr. Eckhardt is on the side of the democracies, then it becomes clear why the United States, and the democratic countries as a whole, inevitably lost their diplomatic battles for influence in countries like Hungary. Recognition of Dr. Eckhardt, whose career has been marked by a series of reactionary, anti-Semitic and opportunistic policies, as a brother-in-arms of democracy, is the height of folly.

Information in our possession proves Dr. Eckhardt to be anything but a democrat. He is without question unqualified to lead a democratic "Free Hungary" movement worthy of recognition by the United States. Eckhardt was the guiding genius, political and propaganda strategist of the League of Awakening Magyars, a reactionary terrorist movement. With his support, anti-Semitism led to the enactment of the numerous clauses law, the first anti-Jewish legislation in modern Europe.

The record shows that this is not the first time that Eckhardt has paraded as a progressive. The Independent Party of Small Farmers of Hungary, which he headed, also poses as a liberal, social-minded group, but in reality is merely a safety valve against mounting peasant dissatisfaction. As a matter of fact, during the whole Eckhardt regime within the party, literally nothing has been done or obtained for the Hungarian peasant.

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Evidently Eckhardt entertains high ambitions of gaining complete power over Hungary. To this end he countered former Premier Gombos' pro-German policy in the Thirties by coquetting with certain influential circles among the Western powers. He made several trips to England and acquired carefully selected connections in highly conservative circles of British "appeasers."

Multiple expediency characterizes his whole political career. For example, Dr. Eckhardt, after having been for twenty years a pillar of the anti-Hapsburg regime, now suddenly discovers in America his love for the Hapsburgs, and advocates the restoration of Otto because - with the Horthy regime now in danger - Otto on the throne of Hungary could perpetuate Dr. Eckhardt's vested interests.

An objective study reveals not the slightest evidence of any democratic ideal throughout his political career. In fact, his program for a "Free Hungary" is most significant for its silence about democracy.

Dr. Eckhardt's task is solely to afford reinsurance to Hungarian reactionaries in the event of a Nazi defeat. This explains his refusal to interfere with matters of Hungarian domestic policies. He has abstained from publicly criticizing any recent pro-Nazi political measures taken by the Budapest government.

Elevation of Eckhardt to the role of representative of the democracies in post-war Hungary would be a flagrant violation and humiliation of any sincere democratic popular aspiration; it would lightheartedly jeopardize the faith in democracy of the people of Hungary.

On the basis of his known record, his collaboration with reactionary elements in the American-Hungarian Federation, plus the highly suspicious circumstance that Dr. Eckhardt has been permitted to emigrate despite his self-avowed opposition to Hitler, an investigation of his activities appears to be in order. I respectfully request such an inquiry by the Department of State lest we unwillingly give aid to a potential Fifth Column disguised as a Free Movement.

Sincerely yours,

Reinhold Niebuhr, Chairman
Union for Democratic Action.

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The text of Mr. Welles' reply, dated April 1, follows:

My dear Dr. Niebuhr:

I have read with careful attention your letter of March 26, 1942, concerning the organizations known as free movements, and the activities of Dr. Tibor Eckhardt, who is chairman of a Hungarian group recently organized in the United States.

The general policy of this Department in regard to "free movements" was made in Press Release No. 600 of December 10, 1941, a copy of which is enclosed for your information. Your attention is invited to the sentence in the last paragraph of this press release that reads as follows: "The Department has taken cognizance of the existence of a number of committees representing 'free movements'; but has not extended any form of recognition to them, formal or informal". This is still the Department's policy and it applies to Dr. Eckhardt's Independent Hungary Committee as well as to other "free movements". The Department naturally endeavors to be currently informed of the activities of all persons connected with organizations of this type, and it gives full consideration to information from all sources regarding them. Special studies and inquiries are also made whenever necessary, to make sure that such groups do not engage in activities contrary to the interests of the United States, with particular reference to our successful prosecution of the war.

Your letter quotes extracts from a letter signed by an officer of this Department, Mr. Harold B. Hoskins. I am not clear from your letter whether you have seen the full text of the letter in question, or whether you have been given only the extract quoted. A reading of the complete letter would have shown that it contained no reference to recognition, formal or informal, of Dr. Eckhardt's movement. The phrases which you quote referred only to the organizational procedure recommended for all "free movements", of which Dr. Eckhardt's committee is only one of several groups known to the Department.

I have been glad of this opportunity to refer in some detail to a matter on which I have observed there has been some general misapprehension from time to time. I trust that you will find that the Department's policy has been determined by the same principles that motivate all of us in our varied efforts to bring this war to a successful conclusion.

Sincerely yours,

(signed Sumner Welles, Acting Secretary) Department of State,
Washington, D.C.

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Dr. Niebuhr's reply follows:

April 3, 1944.

Dear Mr. Welles:

I am very grateful for your letter of April 1, 1942, and for the explanation it contained concerning the relationship between the United States State Department and the so-called Independent Hungary movement of Dr. Tibor Eckhardt. It is heartening to have directly from you a complete unqualified denial of the claims that are being made in the Hungarian colony that Dr. Eckhardt's movement has official or semi-official sanction.

I should add that a copy of the complete letter of W. Hoskins is in our possession and that I have read it with careful attention. It still seems to me that the one sentence I quoted to you is most unfortunately worded: "The activities of Mr. Eckhardt's committee and those of the American-Hungarian Federation are fully known to this Department and have been worked out in close cooperation with us."

In view of the fact that there is a general misunderstanding concerning the relationship of the State Department to Dr. Eckhardt's movement, I assume your letter of April 1 can be made public. In order to indicate how great this misunderstanding is may I quote briefly from an Hungarian paper, SZABADSAG, of Cleveland, September 22, 1941. Dr. John S. Sebestyen, president of the Hungarian Society of Pittsburgh, in an article with correctly assumes complete identification of the American-Hungarian Federation with Dr. Eckhardt's movement, says:

"Having already received recognition from members of the U.S. administration and made friends in the circle of statesmen, the American-Hungarian Federation is now able to take a stand officially in the interests of our brethren in the old country."

"Does the American government know of the independent movement? Yes. A special bureau of the State Department has been assigned to maintain regular contact with the executive secretary of the American-Hungarian Federation."

You will be interested to learn that the same article asserts that both the present Hungarian government and the Nazi German government know about Eckhardt's movement and neither has opposed it.

You will agree with me that the Union for Democratic Action would be performing a valuable service if it could assist in clearing up this misunderstanding. On the basis of the information we have concerning the thoroughly undemocratic record of Dr. Eckhardt, we trust that the Department will at no time contemplate according him recognition, either formal or informal.

Most respectfully yours,

Reinhold Niebuhr,
Chairman.

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In the meantime, despite the denial by Mr. Welles that the State Department would extend or had intended to extend any form of recognition to Eckhardt's Independent Hungary Committee, Hoskins' Executive Assistant of the Department and Berle, Assistant Under Secretary of State continued between the scenes to be active on behalf of Eckhardt who appears, for some reason, to be their favourite among would-be leaders of foreign groups.

Our informant in this matter has been Charles Davila. More than six weeks ago, Davila was asked to visit Mr. Berle. This interview was of a controversial nature. Berle demanded that Davila discontinue his attacks on Eckhardt. (Hoskins was responsible for the ridiculous statement which was made in certain circles that the British Government was paying Davila \$200. a month to make such attacks.) Davila assured Berle that he had, in accordance with his promises, deliberately refrained from even commenting on the activities of other Free Movements. Berle appeared to accept this statement, but complained that there was no doubt that the Jugo-Slavs, through Fotic, and the Czechs, through Masaryk, had taken steps to discredit Eckhardt. And Berle said that Fotic and Masaryk had been told that such attacks against Eckhardt would not be tolerated by him, and demanded that Davila repeat this advice. Davila refused, declaring that it was not his position to associate himself with such action. He told Berle that the chief difficulty with Eckhardt was that he had consistently refused to define his position in this country, had never renounced the Horthy Government or repudiated the claim to territories since seized with the help of Germany.

At the same period, Davila also had an interview with Hoskins. During the conversation, he asked why Vambery was so badly thought of by the State Department and Hoskins was understood to reply "Vambery does not want a strong Hungary."

It is evident that if this section of the Department envisage the need for a strong Hungary it must be at the expense of Czechoslovakia, Roumania and Jugo-Slavia. This ties in with the reports that Otto is favourably received in certain American political circles. (And Otto is utilizing the present dissension between Serbs and Croats in America as proof that Jugo-Slavia cannot continue in its pre-war form.)

Some two weeks ago, at about the very time that Mr. Welles was making to professor Niebuhr his assurance that the State Department had no intention of recognizing Eckhardt, Berle had sent for Davila and asked him if he would be prepared to meet Eckhardt and discuss the possibility of their making a joint statement to be broadcast to their respective countries. Davila who had not previously met Eckhardt, could hardly refuse. But he declared that he could only agree to do so provided that -

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- 1) He should receive an official request to do so from the State Department, and he would not be prepared to act on a personal request from Mr. Berle or Mr. Hoskins.
- 2) Eckhardt must first clearly and publicly define his position. He insisted that Eckhardt should -
 - a) Renounce all association with the present regime in Hungary.
 - b) Repudiate the territorial acquisitions made by Hungary with the assistance of Hitler.
 - c) Announce his acceptance and adherence to the principles of the Atlantic Charter.

Before seeing Eckhardt, Davila however informed Fotic, Hurban and us of the intended meeting. The Czechoslovaks and Jugo-Slavs were disturbed by this development. Finding it hard to believe that Eckhardt would ever clarify his position, and this would only bring him one step nearer to his unconditional acceptance by the State Department. Davila felt himself in a very awkward position, but felt he should run this risk in order to make a genuine contribution to the war effort.

The meeting accordingly took place between Eckhardt and Davila in the presence of Hoskins. Eckhardt glibly agreed to Davila's conditions, and promised to make a clear declaration of policy. And Hoskins likewise promised that an official request for the joint statement would be forthcoming, but asked that in the meantime the statement should be prepared. Accordingly this was done and submitted to the State Department. The drafts of the proposed statement are attached herewith.

However the next time that Davila saw Hoskins, he was informed that Eckhardt was unable to make his official declaration of policy for the present, as he had first to consult his sponsors here: i.e. The American Hungarian Federation. He said that there was to be a general meeting of the Federation in two weeks' time, and that he would then be ready to make his declaration with their support.

Davila thereupon felt himself in a trap, realising that the joint statement might be used at any time, without Eckhardt having clarified his position. A heated scene ensued, and Hoskins accused Davila of duplicity, and declared that he had never made the issuance of Eckhardt's policy a condition of the release of the joint statement. He, however, agreed to let it stand.

A significant part of the conversation was that Hoskins appeared worried and astonished when Davila mentioned that he had

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of course told his British friends what was happening. Davila replied that, as Mr. Welles had made it clear to him that anything to do with Free Movements was being done in consultation with the British, he had taken it for granted that the State Department had informed the British about it. Mr. Hoskins appeared nonplussed; and it seemed to Davila at the time that the whole scheme had been devised by Mr. Berle without consultation with Mr. Welles, and was but a further attempt to 'boost' their protege.

Last week the American Hungarian Federation held a meeting, and the following pronouncement was issued. It was not signed by Eckhardt personally, but it is almost certain that he wrote it. It is interesting to compare this with his portion of the joint Davila-Eckhardt statement. It is the first definitely pointed, almost vitriolic anti-German statement from both the Federation and the Eckhardt group. It is planned that radio and every other possible means shall carry it to Europe. They may hope that the vehemence of their anti-Nazi statements may counterbalance the increasing accusations against Eckhardt and the Federation as fifth columnists.

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PROCLAMATION BY THE AMERICAN HUNGARIANS TO THE
PEOPLE OF HUNGARY

BRETHREN!

Your relatives in America speak to you. We are free to talk. Our country does not seal the lips of its citizens. We have a right to ask you to listen to us. For years we have sent gifts to you. We sent you money, clothing, and food. After the first World War we sent Hoover kitchens to save starving Hungarian children. We have never asked anything in return. But now we do.

Do not permit the thousand years of glory that are Hungary to perish, that Hungary which is your country and which remains dear to our hearts. Do not endure the yoke of German oppression. The Nazi tyranny sends thousands of your sons to their death. Throughout your land your wounded are nursed and your dead are mourned. Your children are starving. You have no bread because the Nazis have stolen your harvest. You have no lard, no meat, and your clothes are barely fit for rags. And tomorrow will be even worse. The Nazis said a thousand times that if they win, you will be enslaved by the "master race." But they will not win. They cannot win. Human liberty cannot perish.

Twenty-six nations have united to free all the people of the earth from the slavery of the dictators, and they have sworn to regain your freedom, your security, and your prosperity. This includes you, also, Hungarian brethren. Have faith in this promise because the salvation of Hungary can come only from the United States.

Hungarian Brethren! Do not get more enmeshed in Nazi slavery. Do not serve the eternal enemy of Hungary. Do not give soldiers, food, ammunition to the Germans. Stay at home. Consume yourselves what you produce, or hide it. But give nothing to the Germans. Should the revengeful tyrant cast one of you in prison, or if execution should be the lot for some of you, remember, it is better to die the death of a martyr than to allow the destruction of the entire Hungarian nation, the whole of Hungary.

Do not fight against your freedom, your independence, and a better future for your children. Wait with faith, patience, hope; the hour of freedom is not far off. We will come with the advance units of the liberating army; the soldiers, we, your kin, Americans of Hungarian origin, will bring you liberty. We will invade Europe to defeat the Germans. Therefore, do not shoot your sons. Put every obstacle in the path of the Nazis. Keep your gunpowder dry and sharpen even your scythes. We are count-

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ing on you. We expect you to join our ranks as ~~one~~ man and to help us to annihilate the German oppressors with the righteous fury and indignation of the humiliated Hungarian people.

The United States and the twenty-six United Nations will wipe the dictators off the face of the earth. And we will again stand by you, helpful and friendly. If you don't have bread, we will send it to you. If you don't have clothes, they will come to you from us. We will take care of you.

But you have to do your share NOW. AT ONCE.

The Lord will help you if you help us. Resist the Nazis, and do not allow your free country to remain a Nazi colony.

April 8, 1942.
Washington, D.C.

For the American Hungarian Federation:

Dr. Bela Szapparyos
National President.

Dr. Tibor Kerakes
Executive Secretary.

For the American Committee of the
"Movement for Independent Hungary":

Joseph Darago
President

Dr. Francis Deak
Secretary.

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REPORT NO: 80/50
 13th April, 1948.

CONFIDENTIAL

Alongside with these pious expressions of anti-Nazi feelings the AMERICAN HUNGARIAN FEDERATION continues the campaign of vilification against the Czechs and the Yugoslavs generally, and against President BENES particularly: - "Should the Government-in-exile of a non-existent State dictate the National policy of the United States?" - and - "The Great International Doublecross", are the two headings of a pamphlet recently issued by the AMERICAN HUNGARIAN FEDERATION. "D. E. Benes, the much-lauded premier of Czecho-Slovakia, who was dubbed the "great little statesman of Europe" by a since deceased subsidized servile, bootlicking the French Press, has set up a neat machine for debauchery in his Government-in-exile, the defunct Czecho-Slovakian nation". "Mr. Benes, once the stooge of the defunct French militarism, now the stalking-horse of Russian domination (a role much desired by Mr. Benes, but not yet granted to him by Mr. Stalin)". These are some of the specimens of Mr. Eckhardt's polemical taste. A copy of the pamphlet is attached herewith.

At the same time comes the reappearance on the scene of Eckhardt's Hungarian Federation of Mr. Borshy KERKES, (who at one time had to be dropped in view of his too obvious identification with the extreme pro-Nazi elements of the Horthy regime, but who now has been taken again into the fold).

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Mr. Eckhardt himself was forced by the repercussions of the Niebuhr-Welles incident to make a declaration in the press denying that he ever asked for the recognition of his Movement by the United States Government. A letter from him appeared in the New York Times of April 12th and is attached.

Mr. Eckhardt thus recedes from his demands after having proclaimed *urbi and orbi* that he is the chosen man, blessed by Washington and London. On the other hand, his attacks on the influential American groups of which Professor Niebuhr is a representative, does not improve his standing here and it is to be hoped that part of the mischief he has done in the United States will be gradually undone.

The aide-memoire submitted by The Embassy to The State Department on March 28th, copy of which we enclose, states that the British Government regard M. Tibor Eckhardt as the outstanding candidate for leadership of a Free Hungarian Movement amongst potential Hungarian leaders abroad. Although this statement is probably meant as a "sugar-coating" for the pill of the refusal to recognize Eckhardt, we nevertheless were rather doubtful about the happiness of the wording and we explained to The Embassy that as the main reason for recognizing a particular exile or a group of exiles "is to give an impetus to a revolutionary movement which would hasten the end of the war", the recognition of Eckhardt would be fatal to such a purpose. It is really irrelevant now to start a discussion of the personal characteristics of Eckhardt, as against five men who will tell you he is all

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right, you get others who are sure that he is an
crook. Actually, we heard totally contradictory statements
about him on the above lines from responsible British diplomats,
but even assuming that he is all right, his choice as a recog-
nized leader would undermine any effort to stimulate a revolu-
tionary movement in Hungary or to produce a spirit which would
yield us Hungarian recruits outside Hungary. If active Hungar-
ian revolutionary elements once come to the conclusion that we
stand behind Eckhardt, we shall lose face entirely with them.
They will either go over bag and baggage to the Communists, or
stand aloof. In both cases our chances of finding recruits will
be NIL. It is our considered opinion, gained by experience,
that the only way to get recruits is by contacting people who
are really actuated by patriotic feelings and who trust us and
look to us to build up a better Europe in which their respec-
tive countries will find freedom and reasonable living conditions.
We have got to tread very warily with the various Continental
groups and at any cost avoid the impression that we are identified
with the regime which brought Hungary to the terrible state in
which she is.

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APPENDIX #2 of Report No. SO/964RECOGNITION NOT SOUGHTMovement for Independent Hungary Merely Asked Federal Advice

To the Editors of The New York Times:

An Article was published in the April 10 issue of the New York Times, under the title "United States Recognition Denied." Since that article may give rise to misunderstandings, I feel it my duty to call your attention to the following:

1. The statement that the United States has "denied" recognition to the Movement for Independent Hungary is incorrect, for the very simple reason that the Movement did not seek recognition. In this, as in other matters relating to the Movement, I have merely asked the opinion of the competent authorities of the United States Government. The advice received upon such inquiry has guided my conduct in the past and will guide it also in the future.

2. The Movement for Independent Hungary is supported and endorsed by all the anti-Nazi elements in Hungary, and also by the overwhelming majority of American nationals of Hungarian origin. The principal aim of this Movement is participation in the fight against Hitler. It is, therefore, pertinent to ask the question: whose interests are served by the systematic campaign of unfounded accusation conducted in the United States against this Movement, organized to fight the same enemy against which the United States itself was forced to take up arms?

It would be comical - were it not so tragic - that groups or individuals in the United States, presumably opposed to Nazism, are engaged in trying to discredit the Movement for Independent Hungary and my person in this country by resorting to the same tactics as are employed by Mr. Goebbels's propaganda machine in its attempt to impair - though perhaps for different reasons - my influence and the authority of the same Movement in Hungary herself.

Tibor Eckhardt.

New York, April 10, 1942.

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AIDE MEMOIRE
FREE HUNGARIAN MOVEMENTS

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The British Government regard M. Tibor Eckhardt as the outstanding candidate for leadership of a Free Hungarian movement amongst potential Hungarian leaders abroad. Czechoslovak and Yugoslav suspicions of and hostility to M. Eckhardt are however very real. The British Government feel that they cannot ignore the susceptibilities of their allies although they regard the attacks made upon M. Eckhardt in Czecho-Slovak and Yugoslav quarters as being very shortsighted. As it is not clear that M. Eckhardt will in fact prove the ideal leader for an effective free Hungarian movement abroad they would prefer to maintain their present attitude of reserve towards him and towards other potential leaders.

None of the free Hungarian groups in the United Kingdom have qualified for any measure of official recognition. Count Karolyi is debarred from consideration by his reputation in Hungary, whether deserved or undeserved, as a Kerensky. The British Government have confidential information to show that an attempt is quite likely to be made with Soviet, Czecho-Slovak and perhaps Yugoslav approval, to further Count Karolyi's candidature for leadership of a free Hungarian movement. But as he is in very bad health it is not thought that this attempt need be treated seriously.

BRITISH EMBASSY,
WASHINGTON, D.C.,
March 28th, 1942.

APPENDIX #3 of Report No. SC/984

PROPOSED JOINT STATEMENT AGREED TO
BY MR. CHARLES DAVILA AND DR. TIBOR DE ECKHARDT.

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March 30, 1942

News of renewed blackmailing by Hitler, reaching these shores from the unhappy valley of the Danube, imposes on us the duty of addressing a warning to the peoples of Hungary and Rumania. We appeal to you to stand firm against the (well-known) time-honored Nazi trick of playing neighboring peoples against one another. We urge the peoples of Hungary and Rumania not to give a single soldier to Hitler. His trick is transparent. He promises both countries the same prize. Either government yielding to Hitler's pressure will assume a tragic responsibility not only towards its own people but towards the whole world. Hungarians and Rumanians! We appeal to you to insist that your governments reject Hitler's request for military aid. His so-called European New Order spells only slavery for each and every Danubian people and looms their independence. We urge you to refrain from assisting in any way the Nazi executioner of our two countries. Never forget that there is no future for any nation without liberty. It is for the freedom of all that America and her Allies are fighting.

Hungarians and Rumanians! We know that each of you will do your part in this struggle for a better world.

Charles A. Davila

Dr. Tibor de Eckhardt

MR. DAVILA'S SUGGESTED INDIVIDUAL STATEMENT

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March 30, 1948

Rumanians,

When December last Rumania declared war on the United States of America, this country in its fairness and justice decided to ignore that declaration, as it knew that it was not due to the decision of the Rumanian people, but had been imposed by Hitler. At that time I explained the actual situation in a public statement, as have, in their newspapers and their fallies, the Americans of Rumanian origin, who are all united and sponsor the Free Rumanian National Council headed by me.

The Rumanian citizens in this country enjoy their freedom, not one has lost his bread. We are all doing our best to help our country to build a bright and democratic future for itself, after the victory of the United Nations, which, after America's entry into the war, is inevitable.

But now when the spring battle may decide the war, you cannot expect America to overlook, in its sense of justice, the fact that you would still be helping Nazi Germany, that for every Rumanian soldier sent to death by Hitler for the triumph of the "Herrenvolk", an American soldier fighting for the liberty of the World, including your own, may fall.

You know that the ultimate result of Hitler's imperialist drive, if it should succeed, would be to enslave the whole world. Consequently every freedom-loving people had the duty not only to refuse to participate, in order to increase its pre-war territory, in the German aggression, or take any advantage thereof, even if

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it believed its claims legitimate, but to bring, ~~whenever possible~~, its contribution to the struggle of the United Nations against Hitlerism.

This implies that when the present governments of Rumania and Hungary, in exchange for territorial promises, which Hitler would never keep anyhow, accept to give him military aid against the United Nations, they actually betray the interests of their own people, besides those of the whole world. If both governments consistently refuse to supply any troops to the Germans, there is no way for Hitler, already greatly embarrassed by a serious shortage of men, to force them to do so. But of course if one of them yields to blackmail or allows itself to be bribed, then the other has to face alone the danger of attack by its antagonist armed by the Germans and helped by their aviation and possibly their tanks.

Given the present tension between Rumania and Hungary, it should be only too natural that both countries would keep their armies at home for any eventuality. This will enable them also to do their share in the general fight for freedom when the time comes.

The world of tomorrow cannot be identical with the world of yesterday. The whole of Central Europe, from the Baltic to the Mediterranean must reorganize itself on a completely new and democratic basis, find a real common denominator. Its only hope to achieve that aim is contained in the Atlantic Charter.

Rumanians, in the name of the Free Rumanian National Council, which you can trust to defend all your rights, I appeal

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to you to make clear to your government, by every possible means, that it must refuse any help to Hitler; that it must save your strength for your own fight for liberty and trust unreservedly for the attainment of all your legitimate national aims, the principles embodied in the Atlantic Charter signed by the 26 nations united against Hitler and to which I have officially adhered.

LONG LIVE RUMANIA!

Charles A. Davila

MR. ECKHARDT'S SUGGESTED INDIVIDUAL STATEMENT

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CONFIDENTIAL
March 30, 1942

Hungarian Brethren!

Spring has come. But instead of bringing fresh hopes to the unfortunate people suffering in the so-called European New Order, it has brought new trials and tribulations. Hitler is now preparing new attacks, he is again threatening his "friends", and again he is demanding hundreds of thousands of Hungarian lives - rivers of Hungarian blood. Again the mass murderer is blackmailing so that he can continue his crazy struggle for unattainable world domination. Within one year this is his third attempt to blackmail Hungary.

I cannot stay silent any longer! From across the ocean I send you word. I appeal to you: not to continue on this path leading to ruin. Keep away from the abyss! If you fall into it, Hungary is lost, whether Hitler succeeds or fails. Do not assist the executioner in destroying your own country. Hitler has already lost this war. Do not let him drag you with him into final destruction!

All is not lost if you take a firm stand now. You have no reason for despair. Do you know that the United States ignored the Hungarian declaration of war? You know why? Because she knows that it was a Nazi dictate, opposed by public opinion and contrary to the desire of the Hungarian people. Americans are a broadminded people and that is why they are unbeatable. Not one Hungarian has lost his daily bread in this country. Even today

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we are permitted to hold Hungarian rallies, and nobody tells the newspapers published in Hungarian what to print. We Hungarians in America are doing everything we can to protect this last precious thread which still connects our people with a nobler and more human world, the last hope for a brighter future. But you must realize that even American patience has its limits. For every brave Hungarian sent to his death by Nazi tyranny, one American here has to shed his blood for the cause of liberty. Many of these are your own Brethren of Hungarian blood. You must understand that you cannot give soldiers to Hitler.

And do not let yourselves be played against your neighbours. Many painful problems were left unsolved in the Danube Valley. Hitler built his pagan empire on the quarrels of other peoples. If the peoples in the Danube Valley hold together, Hitler's power over them will fade. If you let him use you against each other, it will cost you your fortunes, your homes, your lives, for Hitler wants everything; he can never be satisfied.

Hungarian Brethren! As you cannot now peacefully solve the Transylvanian problem at least put aside hostilities, wait for the just settlement which is to come after the war, but do not thrust each other into the abyss. Do not let yourselves be tricked by the Nazis. Let your common sense guide you in this eleventh hour of mortal danger. Hungarians and Rumanians will perish equally if you let this strife flare into flames. And over the

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CONFIDENTIAL

smoky ruins of Transylvania the mad Hitler alone would celebrate.

Dr. Tibor de Eckhardt

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more to say at the eventual peace table than anyone else!

The creation of time-bomb Sudetenlands may be completed, unless our State department can take the Janus-faced Benes by the scruff of the neck and tell him to behave.

Bankrupt statesmen, the purgings of Europe, should be swallowed by the quick-sands of time. Let the final peace be made and settlements arranged by honest statesmen with clean hands and hearts... not the bankrupt weasel-statesmen of pre-bellum "democracies" of Eastern Europe... who have nothing to offer except a thousand grudges and a million hates.



AMERICAN HUNGARIAN FEDERATION
819—17th Street, N. W. Washington, D. C.

**SHOULD THE
GOVERNMENT-IN-EXILE
OF A NON-EXISTENT
STATE DICTATE THE
NATIONAL POLICY OF
THE UNITED STATES?**



**THE GREAT
INTERNATIONAL
DOUBLECROSS**



Should the Government-in-exile of a Non-existent State Dictate the National Policy of the United States?

Or Is The Paper-Government Of Czechoslovakia Nullifying The Atlantic Charter?

With unmitigated gall, the governments-in-exile of Czechoslovakia and Yugoslavia presumptuously served a demarche on the United States Government recently, according to a Washington outlined ONA dispatch, dated February 9th. Text of the dispatch follows:

"The democratic nations of Central Europe, Czechoslovakia and Yugoslavia, it was learned authoritatively today, have made it clear to the American Government that they consider as dangerous to their future peace and safety any propaganda carried on by radio from the United States to Hungary by persons whose loyalty to liberal traditions is at all doubtful."

"... Most immediately of concern to the two democracies, it was learned, were the political activities in the United States of Tibor Eckhardt, one time leader of the Small Landowners Party in Hungary... Eckhardt is President of the Movement for Independent Hungary, with headquarters in New York City."

Needless to say, we are not going to debate the merits or suitability of Mr. Eckhardt as leader of the Freedom for Hungary movement, or being concerned about the fate of Czechoslovakia, Hungary, or any Hungarian movement, but we do consider it of the greatest impudence on the part of these paper-governments to interfere with the policies and mandates of the American government, especially at a time like this.

Our government, President, and our competent state department are willing and able to accomplish anything and to attempt anything to preserve our American way of life and to carry out our policies. But there is a limit to our government's endurance to withstand affrontery.

People of the United States are now assum-

OUT AGAINST THEIR WILL, as a
manifestation of some higher political
wisdom to which they must submit "

Beautiful sentiments, most ably expressed!
But, counting on the widely-advertised
naivety and inexperience of American diplomats
and state department executives, Mr. Benes does
an about face, with a marbling countenance of
crushing determination, of insufferable impudence.

With subtleness that is itself is daringly
bold, Mr. Benes has started a wicked campaign
to impose his will on the Hungarian nation.
To America he imported European stooges to
create a FREE HUNGARIAN movement, which is
composed of ONE HUNGARIAN, and several
Hungarian-speaking Czecho-Slovaks.

With this corporal's guard as a stage-setting,
Mr. Benes has been raising hob at the front
doors of our State Department, clamoring for
recognition, and at the same time, spreading
poison, distrust, and dissatisfaction, among the
Hungarians and Americans of Hungarian descent.
He has attacked American institutions and their
trusted leaders, believing in the slavering Axis
theme of "Divide and Rule"

Meeting with a cool rebuff of contempt,
desperate Benes resorted to hasty means of
attack under the misapprehension that our State
Department's lack of knowledge with European
intrigue would enable him to dictate American
policies through deception.

Mr. Eckhardt, a Hungarian Statesman and
a true leader of the TRUE FREE HUNGARIAN
MOVEMENT, in February was to broadcast to
the Hungarians in their native-land, asking
them to aid the rapid victorious conclusion of
the war by sabotaging the Nazis. Benes rabidly
tried to discredit Mr. Eckhardt and his move-
ment in State Department eyes... yet he once
stated "a decision must not be imposed (on these
nations) from WITHOUT against their will."

A slick game of three-shell chicanery can
be played by Benes between his British and
American movements. Over there, he can be
honest, suave, clean-living, and play all the
cards from the TOP OF THE DECK... IF...
he can persuade the State Department of the
United States to follow his suggestions. He
KNOWS that the American nation will have

Mr. Stalin) is again trying to dominate the Central part of Europe by the means of a system of Sudetenlands?

The American government, who is being asked to meddle into such intrigue, has much yet to learn about the "four-freedoms"... they have to watch for burned fingers in pulling hot international chestnuts from the flames.

That is why we view with disgust and alarm the efforts of the Czechoslovakian government in exile, plotting and intriguing to seize domination of Central and Eastern Europe.

In their zeal to meddle with other peoples, these Czechs have forgotten their own pressing affairs; for instance, they have tried to establish a dictatorship on all Slavic nations with the means of two contemplated All-Slav conventions at Pittsburgh, Pa. Both of these failed to materialize because of the Czechs insatiable appetites for power. Also, while busily engaged in trying to ensnare the other Slavic nations, they have been working diligently to blockade the future of the free Hungarian nation.

Hungarian-speaking Czechoslovakian citizens were exported to the United States, a so-called "Hungarian" committee was formed with them with the aid of a Hungarian Quisling, and the Czechoslovakian government-in-exile is moving heaven and earth to have its "Hungarian" committee recognized by the government of the United States. (Note: WITH THE EXCEPTION OF ONE MAN ALL MEMBERS OF THE SO-CALLED "HUNGARIAN" COMMITTEE ARE CZECHOSLOVAKIAN CITIZENS.)

THERE... that's the real reason for the unmitigated gall exhibited when the paper government of the non-existent Czecho-Slovakia asked for interference by the U. S. government.

We are sorry to state that if the State Department falls for this gag, and fails to put these so-called governments in their places, we will have reached a new low in perspicacity.

The Great International Doublecross

Each day, the columns of American newspapers are filled with lists of young men and women, the finest, being sent to training camps, being shipped across the seas, being sent spinning from the air as they attack Jap plane formations.

On the domestic front, foreboding news of ultra-heavy taxes, of industrial conversions, of "killing out" many lines of endeavor to make way for war "essentials," the tightening of the whole domestic economy... sends a cold wave scampering up and down the national spine.

Yet, while America bravely, uncomplainingly prepares to make the most colossal sacrifice in the World's history to secure "Four Freedoms" and peace for mankind, a classic example of the Double Cross is being perpetrated under our very nose. The stench is appalling.

Trustingly, with typical American good nature and benevolence, we have succored the oppressed and hard-pressed of the world, bringing to our shores thousands of dispossessed peoples, and sending to our many allies, the United Nations, Materials, Money, and Men.

We have come to accept the theme of world interdependence, and our burden of straightening the affairs of the world has been taken up without a murmur.

Yet, a secret, sinister force is busily engaged within our borders to involve us in wars yet to come, creating Sudetenlands AFTER the present War is history.

D. E. Benes, the much-lauded premier of Czecho-Slovakia, who was daubed the "great little statesman of Europe" by a since deceased little statesman of Europe, bootlicking French Press, has subsidized servile, bootlicking French Press, has set up a neat machine for debauchery in his "Government-In-Exile," the defunct Czecho-Slovakian nation. For nearly two decades, the Janus-Faced successor to the truly great Masaryk has succeeded in misleading the democracies as to his amiable intentions and actions.

Czecho-Slovakia, which was captioned "Democracy" by the world, was in truth an arch-example of an imperialistic nation, containing ten million unhappy diverse citizens subjugated by a compact seven million Czechs. Moreover.

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this indomitable nation kept the Eastern Europe pot boiling, by constant intrigue and subterfuge, keeping all neighboring states from rapprochement.

Included within the boundaries of "democratic" Czecho-land were thousands and millions of Germans, Poles, Ruthenians, Slovaks, Magyars and Roumanians. Mr. Benes, with indefatigable zeal, blocked all efforts by Mr. Masaryk to an amicable nationalistic settlement as proposed by him and neighboring nations.

Thus while the Rising Sun is Shining, Mr. Benes is making piles of political hay, storing it in the lofts of the future, and making fodder for the "Four Horsemen of the Apocalypse" of our generations as yet unborn!

British, Dutch, American, Chinese, Polish, Russian armies are locked in deadly combat with the common Axis foe. American boys, bonds, and blood are being mustered to the Moloch of total-war, and to leaven the unhappy bread of the oppressed. Yet, Mr. Benes, with his pre-war record for hypocrisy intact and un-sullied by decency, is dealing Americans and their State Department calling cards from the top, bottom, or middle of the deck, just as it suits his policy.

Mr. Benes, with long-sighted keenness, is determined to gain a seat on the far-flung coat-tails of Stalin... in the belief that the dictator of the Russians will have much to say about any future of Eastern Europe. Through this association with the mighty, Benes has hopes and dreams of dominating all Slavic groups after the War.

The astuteness of British statesmen in juggling the slippery Indian clubs of European deviousness is well known by Benes, who doesn't insult their intelligence by any faux pas. Therefore, this Janus-faced "diplomat" is "an old darling" to his English acquaintances and audiences. We quote from one of his speeches, made Nov. 10, 1941, at the University of Aberdeen:

"Nevertheless I would stress the fact that nations of Central Europe must decide their fate after the war themselves; this is a self-evident democratic postulate... The point is that this decision must not be imposed upon them or upon their neighbors FROM WITH-

ing the tremendous burden of the present World War, acting as the Arsenal of Democracy, sending our soldiers to every front, our ships to every sea, our airplanes into the heavens of the blue throughout the sphere. They and we are fighting to conquer militarism and totalitarianism, to eventually recreate those non-existent states which have been crushed under the Hitlerian juggernaut. Under the present burden and goad, we cannot and will not tolerate dictation from those paper-governments of non-existent states. This impudent interference with our policies cannot be tolerated.

These so-called governments in a way have the excuse that instead of interfering with the policies of the American government, they are merely interfering with the future government of Hungary to-be. In this they are carrying on the traditional activity of Czechoslovakian intrigue, of keeping alive in Central Europe a turmoil, keeping alive the problems of five sudetenlands...

However, if that is their explanation of their impudent demarche, we cannot help but see the basest attempt to nullify the Atlantic Charter, and the lofty ideals for which the United States is fighting.

In contrast, consider the statement made by Acting Foreign Secretary Sumner Welles, who, with the enthusiastic endorsement of 136,000,000 Americans, declared at the Cuban Chamber of Commerce banquet, that the Government of the United States would NEVER interfere, and never should, with the career and future of the smallest of American nations. Further, he stated that the matters of internal policy should concern only the respective states, and that all American nations adhering to this policy, we would have a wonderful inter-relation on this hemisphere.

This, in short, is the policy of the United States, and the policy we are demanding of our comrades-in-arms, the United Nations.

So, we ask, what has Czechoslovakia to do with the internal affairs of the future Hungary?

What business does the government-in-exile of a non-existent state have to do with meddling in the affairs of another European state?

Can it be that Mr. Benes, once the stooge of the defunct French militarism, now the stalking horse of Russian domination (a role much desired by Mr. Benes, but not yet granted by

COPY

MOST SECRETOFFICE OF STRATEGIC SERVICES
FOREIGN NATIONALITIES BRANCH

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France
July 27, 1942Subject: THE FIGHTING FRENCH; ALEXIS LEGER, GENERAL DE GAULLE,
AND PRIME MINISTER CHURCHILL

According to reliable information just obtained from confidential sources in the United States, Alexis Leger, Ambassador of France and former Secretary-General of the French Foreign Office, received a communication from General de Gaulle in the latter part of May. This communication, transmitted through the office of the Free French Delegation in Washington, was the first that Mr. Leger had received from the General. It invited him to come to London for a personal discussion and requested him to lend the authority of his name and his moral support to General de Gaulle and the National Committee. Mr. Leger, it is said, assumed that the vague character of the communication was due to a desire not to acquaint Adrian Tixier, head of the Free French Delegation, with the General's precise plans in connection with Mr. Leger.

Eight days later Mr. Leger received through the intermediacy of Lord Halifax a telegram from Mr. Eden. This message was to the effect that General de Gaulle desired Mr. Leger to replace Mr. Tixier as his principal representative in the United States. Mr. Eden is believed to have urged Mr. Leger to accept the appointment.

Mr. Leger, it is reported, did not take the proposition into serious consideration. He telegraphed General de Gaulle that, were he a military man, he would join him without hesitation in any capacity that the General might desire. Under no circumstances, however, would he consider associating himself with the General's

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movement in a diplomatic capacity. Both Mr. Roosevelt and Mr. Churchill, Mr. Leger believed, had unequivocally declared to the world that the integrity of French territory would be respected. Hence the only course to be followed was to associate oneself with the common military struggle of the United Nations against the Axis. This, in Mr. Leger's view, was an admirable course, but to establish a "Free French Foreign Office" would imply authority to negotiate with regard to the primary rights of France. Mr. Leger is believed to have declared that he would under no circumstances put himself in a position which might call upon him to conduct negotiations affecting, for instance, the sovereignty of Martinique or even of St. Pierre et Miquelon. He added that he felt it would be most unwise for him to proceed to London on the ground that his subsequent return to the United States without having accepted a formal association with General de Gaulle would reflect on the latter and would convey the impression that, after having looked over the London scene, Mr. Leger had separated from the General because of a dissatisfaction which, in reality, did not exist.

Shortly after dispatching this refusal to General de Gaulle, Mr. Leger, it is understood, received an urgent cable from Prime Minister Churchill, urging him to join de Gaulle's National Committee. Mr. Leger was embarrassed by the necessity of replying to Mr. Churchill. He then received a second urgent cable from the Prime Minister. He did not reply to this message, since on its heels Mr. Churchill arrived in Washington.

During Mr. Churchill's sojourn at the White House, Mr. Leger had an hour's conversation with him. Appealing to Mr. Leger on the

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basis of their old friendship, Mr. Churchill again urged him to proceed to London and to join the National Committee. The existing situation in London was impossible, Mr. Churchill asserted; he himself was practically not on speaking terms with General de Gaulle. He said that in the affair of Admiral Muselier and St. Pierre et Miquelon, it had not been merely a question of de Gaulle's lying or failing to keep promises: de Gaulle had done exactly the contrary of what he had agreed to do. Mr. Churchill said further, according to this information, that General de Gaulle's hostility to Great Britain at the present time was equalled only by his "Yankeeophobia."

Mr. Leger, it is said, reiterated to Mr. Churchill all of his objections to aligning himself with General de Gaulle in the manner suggested. However, the conversation was not entirely conclusive but was interrupted when the President entered the room.

After Mr. Churchill's return to London, he sent still another message to Mr. Leger, asking him to reconsider his position. Mr. Leger, in addition to opposing strongly the assumption by General de Gaulle's movement of any civil character other than that of protecting French colonies under its control, does not see any capacity in which, either as diplomat or statesman, he could serve the Fighting French with propriety or authority. His refusal of General de Gaulle's offer reflects a considered decision from which he will probably not recede. According to reliable information, it was received with satisfaction by General de Gaulle. Mr. Leger assumes that the General, in inviting his collaboration, was influenced by the serious and continuing crisis which recently shook

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the Free French, as well as by British pressure in the matter.

It is reported that Mr. Leger now considers that General de Gaulle has assumed the position of the protector of France, not against the Axis, but against the United States and Great Britain. The General's proposal to rule France for a provisional period of six months after the cessation of hostilities implies, in Mr. Leger's view, a plebiscite under his own auspices. In addition, many members of General de Gaulle's entourage, according to Mr. Leger's testimony, are former backers of Action Francaise, Croix de Feu, and the Cagoulards. (See Foreign Nationalities Branch Report Number 48, July 9, 1942.) In short, it is Mr. Leger's belief that should de Gaulle establish himself in France, a regime to all intents and purposes identical with that of Vichy today would probably result.

THE COMBINED CHIEFS OF STAFF
WASHINGTON

MEMORANDUM

Date

*File
ill
5 August*

To:

Subject:

Dear Colonel Donovan

*Thank you for the
very interesting note
on Alexis Leger,
returned herewith
Deaky -*

OFFICE OF STRATEGIC SERVICES
Washington, D.C.

OFFICE OF THE DIRECTOR

My dear Admiral Leahy—

This may interest
you. As you can infer
it is direct from L—,
himself—

Bill Donovan

COPY

MOST SECRETOFFICE OF STRATEGIC SERVICES
FOREIGN NATIONALITIES BRANCH

WAL

July 27, 1942

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Mr. Leger, it is reported, did not take the proposition into serious consideration. He telegraphed General de Gaulle that, were he a military man, he would join him without hesitation in any capacity that the General might desire. Under no circumstances, however, would he consider associating himself with the General's

MOST SECRET -2-

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Shortly after dispatching this refusal to General de Gaulle, Mr. Leger, it is understood, received an urgent cable from Prime Minister Churchill, urging him to join de Gaulle's National Committee. Mr. Leger was embarrassed by the necessity of replying to Mr. Churchill. He then received a second urgent cable from the Prime Minister. He did not reply to this message, since on its heels Mr. Churchill arrived in Washington.

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MOST SECRETOFFICE OF STRATEGIC SERVICES
FOREIGN NATIONALITIES BRANCH

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File FNR

*Ward ... 5/21/42
Sikorski
A. Marshall, ...*

COORDINATOR OF INFORMATION

FOREIGN NATIONALITIES BRANCH

Gill

Secret

April 20, 1942

FOREIGN POLITICS IN THE UNITED STATES

General Sikorski's Conversation with President Roosevelt

The character of the information now circulating in the best-informed Polish quarters in the United States on the subject of General Sikorski's recent conversation with the President is indicated by the following report which has come to this Branch:

When General Sikorski prepared to leave for the United States, he was told by the Foreign Office that his voyage would be useless because the position of the American Government was substantially the same as that of the British Government. The personal attitude of Churchill was different.

Churchill told Sikorski on the eve of his departure: "You will find in Washington that President Roosevelt is closer to your point of view than mine. In any case, I wish you the utmost success in your mission." From this Sikorski drew the conclusion that Churchill would not be displeased if American pressure would allow him to tone down and keep in the background the project for reaching an agreement with Russia. General Sikorski communicated this conversation to the President, who seemed to be very much interested and declared that as he was more at ease than Churchill was in the Russian affair, he would "back up" Sikorski.

COORDINATOR OF INFORMATION

FOREIGN NATIONALITIES BRANCH

- 2 -

Secret

In his declaration to Sikorski, the President was very categorical. Not only would the American Government not sign a pact with Russia concerning territorial concessions, but it would also oppose England's signing such an agreement. No new promises would be given the Russians. The state of being allied with the United Nations was incompatible with the signing of such a treaty. "I have been put under great pressure," the President is reported to have said, "but I too have methods of bringing pressure, and I will use them if the case requires. Besides, the new American ambassador to Russia, Standley, is a good two-fisted American. There is no question of his giving up anything. I will yield neither on the Polish question nor on the question of the Baltic states. The problem of security is solved by the Atlantic Charter through the disarmament of Germany. Russia's desire for security cannot compel us to sacrifice three small nations to Russia--itself an imperialist colossus. Confer with Russia, come to an understanding with it. That is all very well. But understand that we will not let you down. You will not be abandoned to face Russia alone." Prior to this meeting between the President and General Sikorski, the Polish Ambassador conferred with Congressmen of Polish extraction who afterwards made a demarche to the State Department and the President. Mr. Roosevelt received the Congressmen with a great deal of good grace and thanked them for their actions, telling

COORDINATOR OF INFORMATIONFOREIGN NATIONALITIES BRANCH

- 3 -

Secret

them that the support of public opinion was very necessary to him.

General Sikoreki was extremely satisfied with his visit, which was successful beyond his hopes.



COORDINATOR OF INFORMATION FOREIGN NATIONALITIES BRANCH

SECRET

file

T-NB

*Rumania (703) 1911 B
A. Austrian, V. T.
A. Davila, Carlos
A. Poub, de U. T.*

December 15, 1942

MEMORANDUM FOR C. LONEL CANNON:

✓

I understand that even the beginning Secretary Hull regarded the "affaire Otto" as a mistake and a misfortune. He is annoyed, nevertheless, by the protests which have been lodged, diplomatically, by the representatives of Central European governments, and publicly by others. He has spoken very pointedly to two or more chiefs of mission, I hear.

Cecil Cannon of the European Division of the State Department asked me on December 4, while I was in New York, to intimate to Carlos Davila of Rumania that he would be well advised not to press an informal request he had already made for an interview with Mr. Hull. The purpose of the interview would be to lay some sort of foundation for talks by Davila with Litvinov regarding Rumanian-Russian relations. I wrote Cannon at some length on the subject in a "personal and confidential" letter of December 4, and a copy of this was sent to you.

A few days later Cannon asked me to suggest to Davila, the next time I saw him in New York, the reason why it would be just as well if he did not press for an interview with

- 2 -

Mr. Hull at present. Davila had joined in a party (a protest) in the Otto matter; if Mr. Hull had been there, all of the allotted time would almost certainly, be used up with a scolding and there would be no real opportunity for Davila to lay out his own business before Mr. Hull.

In answer to this request, I talked with Davila in New York yesterday and have written Cannon a summary of what was said, as shown by the attached copy of a letter to Cannon dated December 14.

As you will see, Davila stood his ground. He insisted that the protest he had made was imperative and unavoidable. He had had to make it publicly since he had no regular diplomatic standing at the State Department. Had he been able to protest directly and orally to Mr. Hull and Mr. Hull had chided him for doing so, he would have replied (he said) that "the War Department's gesture of recognition" toward Otto -- addressing him, not as Otto Hapsburg but as "Otto of Austria" -- amounted, in effect, really to an interference by the United States in the internal affairs of the Danubian countries; diplomatic protest was, therefore, wholly in order.

I report this to you at some length because there is no doubt of Davila's sincerity and deep feeling. The same can be said of others, such as the Czechoslovaks and Yugoslavs.

At first they appear to have been stunned. Now they are ~~not~~ talking about sustained action. They look for support, of course, to elements in the United States whose feelings run parallel with theirs.

One of the aspects to be observed diplomatically is the course of Soviet Russia. One grows increasingly aware of a sort of preliminary sparring between Russia and the United States (much more conscious on the part of Russia than of the United States) for leadership in the world which has not yet taken shape, with Great Britain standing somewhat uncertainly in between. Naturally the Russians are making the most of the Otto episode to fortify their position in Central Europe as the real paladins of "the people". It is clear now, the argument runs, that the United States is, as one might have known all along, just "big business" and semi-Fascism.

With regard to North Africa, the Russians are following a still more obvious strategy. They recognized de Gaulle some time ago (though it was hardly, I think, a sincere gesture) and have allowed the story to spread that they offered de Gaulle the command of a division, or even an army, on the Eastern front. The other day Mexico recognized de Gaulle.

As you are aware, Moscow has for some time been intervening very actively in the Yugoslav situation. The campaign

against Kihailovich -- how well founded it is I do not pretend
to know -- has culminated in the United States (via the reprint
in the article in TIME for December 13) entitled "Kihailovich
Eclipsed". The next issue of the SATURDAY EVENING POST will
carry an article of the same tenor by Louis Adamic.

I understand the article in TIME was based on informa-
tion sent from London by Stoyan Fribichewich and that the edi-
tors of TIME now feel that they "went overboard" a little in
using it.

ACP

DWIGHT C. POOLE.

PERSONAL AND CONFIDENTIAL

December 14, 1942

Dear Cavendish:

Under date of December 4 I wrote you about the informal talk which I had had in New York with Carlos Davila of Rumania, saying that I had conveyed to him your suggestion that he put off for a short time at least his thought of an interview with Secretary Hull. You will recall that subsequently, on December 2, you explained to me at the State Department why you thought it would be well for Mr. Davila not to press his request for an interview. Pursuant to the suggestion which you made then I spoke with him today in that sense.

I referred to the announcement of an Austrian unit in the United States Army in association with the name of Otto of Hapsburg and his (Davila's) participation in a public protest in that connection. Pursuant to your suggestion I remarked that the time allotted for an interview might be consumed in discussing this matter rather than the subject which Davila had in view to be discussed, namely, the possibility of conversations between himself and Litvinov looking to some sort of Russian-Rumanian accommodation before the arrival of Russian troops at the Rumanian frontiers (see my letter to you of December 4).

Cavendish Cannon, Esq.
Department of State,
Washington, D. C.

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Davila received this intimation in the friendly spirit in which it was offered, remarking, however, that he felt that the protest which he had joined in making against the association of the Austrian unit with "Otte of Austria" was not only justified but indeed unavoidable. Davila voiced a strong conviction that he simply could not let the episode pass without protest. Had he done so he might very well have been called to account later by Maniu and other democratic Rumanians, and it might be alleged that he, Davila, was in some way conniving with the idea of a Hapsburg restoration. He said that he had regretted the necessity of making a public, or other than a privy diplomatic protest, but, not being in any way accredited to the Department of State or recognized officially, he was without other means of placing himself on record.

I report the foregoing to you simply for such interest as it may have. I listened to Mr. Davila without comment.

Pursuant to our conversation of December 9, I then said to him that, while it would probably not be well for him to press at this time for an interview with Secretary Hull, I was sure that you would be glad to see him and talk over the matter he had in mind. Davila said he appreciated your friendly attitude. He desired only to inquire whether I could give him any indication whether a talk with you at this time might have positive consequences of any kind. I said that of course I could not give any such indication, nor could you yourself, naturally -- certainly not until you had actually had a talk with him. I

-4-

said that I would, however, seek an early occasion of speaking with you further in order to ascertain whether it would seem to you timely for him (Davila) to make a trip to Washington in the near future for the purpose of seeing you. I said I would try to give him some word fairly soon.

Davila then went on to speak at length and with warm feeling about what he called the "Otto episode." It was his sincere conviction, he said, that the repercussions in Europe as well as in the United States would continue to mount. He spoke of a dinner which he had attended December 7 in a private hotel dining room in New York at the invitation of Jevtich, the Yugoslav Minister of State. Beside Yugoslavs and other Central Europeans a number of prominent American citizens were present, notably William Agar of Freedom House and Leo Kryski of the American Slav Congress. Kryski apparently delivered a fervent protest. Davila mentioned also that a mass meeting was being prepared under the inspiration of Freedom House, at which Members of Congress and other prominent Americans would protest (he said) the "recognition" accorded Otto and call for some sort of retraction.

Davila then went on to refer in particular to the advantage (as he saw it) which both Great Britain and Soviet Russia would take to themselves out of the coincidence of the "Otto episode" with the Darlan collaboration in North Africa. They would use -- indeed they were already using -- the opportunity to put themselves before the peoples of Europe as the real champions of democracy over against a United States which, for the moment at

-4-

least, could be represented as wavering in its support of the truly democratic elements and flirting with the semi-fascists.

The United States, Davila added, had meticulously refrained heretofore from making any gesture of recognition or encouragement toward any representative in the United States of European democracy (himself included obviously) and instead had chosen to make its one positive gesture of friendliness toward a young man who was in his own person a good enough sort but sure in his official status all the political stains which an imperial family had accumulated throughout the generations.

Again I only listened and offered no comment. I repeat to you the substance of what Davila said only for such interest as you may find in it.

Sincerely yours,

DeWitt C. Poole

P.S. I assume you are keeping Mr. Berle informed.



French Colonel, Station 1942

SECRET

To Colonel Donovan
From Colonel Lombard

March 14, 1942

N-6

SECRET

Pensioning the French Colonial Soldiers

As a rule, the French Colonial soldiers and the sailors stationed in Morocco, West Africa, Tunisia or Madagascar hate the Germans and would like to fight them. They have excellent reason for that:

The younger ones had their fathers in the last war and remember the sufferings at home.

The older ones (officers of field rank or above, now in their fifties) fought at Verdun or at Ypres.

Very soon those men will have to make one of the most important decisions of their whole life, when Vichy decides to collaborate with the Axis and to fight the United Nations.

Are those men willing to shoot at the British, the Free French, the Americans? Certainly not; they are fully aware that those nations or parties are the only ones that can break France's fetters.

What can they do?

Retire, before the State of War is declared?

Very few among those having reached the legal age entitling them to a pension will do it. The vast majority have family responsibilities which will detract them from prematurely retiring.

Others of less seniority have not yet required the necessary annuities. The younger ones, either drafted or reenlisted, are under contract and cannot leave the service.

For those two last categories there are only two ways to avoid a clash with the United Nations:

- 2 -

Officers and professional soldiers: resignation
Others: desertion

Resignation is a very painful solution as it leaves officers and non-coms without means of earning their livelihood.

Desertion is punished with extreme severity and the deserter must flee and hide until the time comes to join the Allies ranks. Without money, he is easily caught, especially in Morocco, Algeria or Tunisia. He can escape in West Africa, but his fate in the jungle or in the desert is one of the least enviable. A few daredevils might accept it. They will be the exception. Consequently, all wait aimlessly, and do not dare to take an irretrievable step.

And as soon as the fight is on, as in Syria, the mass of the vacillating soldiers obeys orders and shoots if necessary at their own brothers.

The whole problem is mostly a financial one:

How to live after breaking all bonds with Vichy, with its Army, Navy or Air Force?

Solving that problem is relatively easy: If under the guarantee of the U.S.A., those men were certain not to lose their whole career's efforts and to have enough to live on, they would gladly leave the Vichy ranks. The walkout would be felt mostly in colonies far distant from the Metropolis, such as Madagascar, La Reunion, or the

- 3 -

colonies on the Gulf of Guinea.

Either through the Free French Agents or through Free French broadcasts they should be assured:

- Not to fight against the French (a new Syrian affair must be avoided at any cost.)
- Not to be removed to other colonies, unless they desire to do so.
- To keep their rights to full pay or retirement pension and (in the case of senior soldiers and non-coms) to proportionate (According to years of Service) retirement.

Thus their dream to spend their older days in a choice colony, on a farm, enjoying short days of work in almost complete security would still be possible. From the day of the broadcasted proclamation (leaflets could also be dropped)), they would be considered by the United Nations on an inactive status until they could be incorporated in the Anti-Axis forces (See reports on West Africa and Madagascar).

The cost would be small. The active pay of a soldier (in American dollars) is slightly more than \$2.00 a month, that of a Colonel, \$2,200 a year. The retired pay is about 70% of the active pay after 30 years service. In addition, the proposed measure would affect only a few thousand men. Still it would break the ossature of the Vichy organizations and render the occupation of West Africa and of Madagascar as well as that of Guadeloupe and Martinique by the United Nations, rather easy. It would split the Naval forces in Bizerte, Oran and even in Ajaccio or Toulon.

- 4 -

No time should be lost. Had the British adopted such a measure in the dark days of July, 1940, they would have retained the loyalty of all true French patriots. Their condescending offer of common citizenship could not and did not do the trick.

March 7, 1946

To Colonel Donovan
From Colonel Lombard

BUTTRFSSING THE MORALE
OF THE PARISIAN RED BELT

The recent bombings of the southwestern suburbs of Paris were imposed by the necessities of war. In fact, the burning of several former automobile factories making war materiel for Germany will decrease for a certain time the war potential of Hitler's armies.

But the death of the French workers and the apparently indiscriminate destruction of nearby homes as well as the maiming of innocent women and children will be resented by the Parisian population and probably by all France--"the same planes that could not rescue the besieged armies of General Blanchard in Flanders, the same planes that were aimlessly targeteering bombs at Heligoland, Cuxhafen and the undefended Danish coasts, during the "phony war" days are now killing the French toilers, devastating their homes with relentless fury" - Such is already the reaction of the population of the Red Belt of Paris, which represents at least a million people, the same people who have been sabotaging the machine tools which work for Germany, derailing the trains carrying troops to the coast, and bombing, shooting and knifing the invader.

2

That population is spread in the North of Paris (Pantin), in the northwest (St. Denis), in the southwest (Billancourt), in the south (Ivry-Montrouge).

It has no intention whatsoever of co-operating or collaborating with the enemy; for it hates order, it hates the military machine (being afraid of it); it is meanly jealous of wealth, birth, and refined education.

Since World War I it has built revolutionary cells in the army and undermined the morale and loyalty of regiments garrisoned in its midst:

120th infantry reg't in St. Denis
12th artillery reg't in Vincennes
aviation mechanics in Le Tremblay
companies of workers in Issy-les-Moulineaux
and the garde Mobile in charge of keeping order and of preventing riots.

They were the first to organize sit-down strikes in 1936 under the Blum regime - They always welcomed the instructions and the emissaries from Soviet Russia.

As far back as 1917 (June) the origin of the riots in the French army were traced to communistic propaganda spread by the regiments of Russian soldiers then billeted at Camp Mailly. Most of the soldiers condemned to prison or even to death were industrial workers of the Red Belt

of Paris, or that of Lille and Roubaix, maintained on the Front in motorized units, aviation ground units, and ordnance shops.

The same population is today quite in favor of the Russian cause and follows with anxiety the development of the war on the Russian front. In order to placate their rage at being bombed by the British and in order to prevent them from lending a favorable ear to German propaganda, it would be most advisable to disseminate in the Red Belt propaganda pamphlets emphasizing the importance of Russian counteroffensives, and showing the full cooperation of Russia and the allied nations and stressing the loyalty of all Russians (including farmers) to their leaders, under the most trying circumstances.

Such propaganda is obviously a double-edged weapon the wrong blade of which will be strongly felt when the war is over - unfortunately there is no choice - and, in favor of such a campaign, one may say, that whatever the peace may be, the Red Belt population will always hate the well-off bourgeoisie which occupies among the large areas of shabby industrial slums, oases of comfort and beauty such as: Enghien, Neuilly, Chatou, St. Cloud, Sevres.

If the result of the first bombing at Billancourt, justified its toll in French lives, it would be almost feeble-minded not to renew it as often as necessary, until the war materiel zone around Paris is completely scorched.

4

Such future bombings should be executed with the maximum precision (in order to avoid hitting non-military targets) The reason for such action should be given to the suffering population in terms palatable to them - Destruction of Hitlerism, of corporatism, and of capitalistic domination - Participation of labor in governmental leadership - old age security, etc.---

Preferably to leaflets dropped from planes, such propaganda should be made by direct contact: Russian agents could be smuggled into the Red Belt, with the help of the R.A.F. French ones previously and duly trained in unoccupied France could be sent from Lyon and Marseille⁽¹⁾ into the occupied zone.

(1) Two active centers of communistic tendencies.

file T-NB

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C O N F I D E N T I A L

February 19, 1942

MEMORANDUM FOR COLONEL DONOVAN:

Anatole Muhlstein informs me that the Polish Army in Canada is being disbanded; that it was a complete "flop". Recruiting proved a great disappointment and there were many desertions to the United States. Muhlstein continued that very few people appreciate how much of an impact America makes on Poles, or indeed most foreigners of peasant or humble origin. For example, Poles who have been in the United States a few years would be most reluctant to serve under Polish military conditions in a Polish Army. They would almost invariably elect to serve in the American Army, under American officers.

As for forming a Polish Legion in the United States, he believes that any such endeavor would have disappointing results.

John C. Wiley
John C. Wiley.

COORDINATOR OF INFORMATION: FOREIGN NATIONALITIES BRANCH

5.

Handwritten notes: "Foreign Language Press Unit", "Legal Dept", "Summit Conference"

August 7, 1942

MEMORANDUM FOR COLONEL DONOVAN:

L. M. C. Smith of the Special War Policies Unit of the Department of Justice convened a meeting today of the agencies concerned with the foreign language press. DeWitt Poole was present for this Branch. Others represented were State Department, OWI, the Censorship, the Treasury, and the Foreign Language Press Unit of the Army (Lt. Polyzoides).

Mr. Smith explained that the Attorney General had reluctantly agreed to a request by the Budget Bureau that the scanning of the foreign language press should be carried on in the Department of Justice for the service of all the Governmental agencies interested. The appropriation eventually made had been cut down to \$125,000 and there had been considerable delays in organizing the staff of translators. Mr. Smith regarded the work as "a communal enterprise." He desired to meet everyone's wishes in the fullest possible degree and in return he would count upon the support of all the agencies before Congress. It was likely that he would soon have to ask for an increased appropriation.

There seemed to be fairly general satisfaction with the service which the Department of Justice was now beginning

- 2 -

to afford, but Miss Wellington of Mr. Serle's office in the State Department said that the geographical divisions there needed something in the way of political appreciations. Mr. Smith then turned to Mr. Poole and remarked that he thought the Foreign Nationalities Branch could meet that requirement. Mr. Poole replied that that was probably the case and the Branch could only consider doing so upon the receipt of a request to O.S.S. from Mr. Serle or anyone else in authority at the State Department. Miss Wellington said that she would speak to Mr. Serle without delay.

Subsequently Lt. Polyzoides remarked to Mr. Poole that material of the kind which the Foreign Nationalities Branch assembles would be of great help in the operation of his Unit. Mr. Poole replied that a request received through the chain of command would of course be given the most sympathetic consideration. Lt. Polyzoides indicated that he would endeavor to initiate such a request.

Returning to the idea that the press scanning in the Department of Justice was "a communal enterprise," Mr. Smith asked the several agencies represented if they would each be willing to nominate a representative on an informal advisory board which could work with the Department of Justice staff with a view to producing general satisfaction. We propose to have this Branch represented by Professor Meritt in case this meets with your approval. It was

- 3 -

Professor Meritt who, in conjunction with Mr. Poole, first organized our volunteer press scanning system and who is now taking the most active part in its direction and development.


John C. Wiley

JAN 10 1942

COORDINATOR OF INFORMATION

MOST SECRET

INTEROFFICE MEMO

FIVB

FROM: John C. Wiley

DATE January 12, 1942

TO: Colonel Donovan

SUBJECT: Bodosakis and Logothetis--Greek Industrialists in U. S.

One of our staff has learned from an excellent source that two Greek industrialists now in the United States, named Bodosakis and Logothetis, are in control of a cash fund of about \$600,000, and of other credits with which they propose to enter the defense industry in the United States. Their minds are turning particularly toward shipbuilding, since (according to their information) Greece has lost about 1,900,000 tons, and of course more will go.

Reports on the careers of Bodosakis and Logothetis are attached. Both are men of ability and are acquainted with the production of military supplies. Bodosakis, in particular, is said to be a man of quite unusual ability and no perceptible conscience.

(An indication has been given to our staff member that he might be asked to join the enterprise. He will not do so, of course, but we shall keep in touch.)

Attachments

Suggest last R in deleted. Perhaps replace with: "Since these men may attempt to play roles of importance the attached info. has been prepared in some detail."

MOST SECRET

January 9, 1942

MEMORANDUM RE: BODOSAKIS ATHANASIADIS

The subject, known to the world as "Bodosakis," a Turkish equivalent of Athanase, his given name, is a man of potential importance throughout Eastern Europe. His activities should be watched ceaselessly. He is a sort of ZAHAROFF, with whom it is rumored he had connections prior to the latter's death. He is a king maker and breaker. He was pro-German. He is now in the United States, having arrived in September of 1941.

Born of poor parents in Caesarea, Asia Minor, about fifty years ago. Self-educated. Laconic but soft-spoken.

His first business activity (known to us) was the purveying of materials to the Turkish Army and Government. During the course of these operations he gained the confidence of high Army and other officials and learned many valuable military secrets.

In 1916 he left Turkey for France where he gave his information to the French General Staff in an appointment as a sort of liaison official to the "Powder and Cartridge Manufacturing Company" and the "French Army of the Orient."

- 2 -

first connection with the company which was to provide him with a career of dramatic ebb and flow.

During 1916-1918 he interested himself in shipping and turned a handsome profit. After the Armistice, he bought and sold great quantities of war materials at enormous profits. These two operations furnished him the financial means for his further operations.

During the period 1923 to 1926 he engineered several large deals of vastly disreputable character, such as the furnishing of unsatisfactory materials to the Greek Government, the floating of a company to operate gambling and casino concessions in Greece. Money passed freely in the accomplishment of these enterprises, and it is said that many local politicians profited hugely.

In 1926 Bodosakis bought 45% of the capital stock of the "Powder and Cartridge Manufacturing Company," then in liquidation. In following years he bought into the control of many other industries in Greece, such as the "Wool and Silk Manufacturing Company of Greece" and the Greek Society of Aerial Transports.

During the depression of 1931 he sank into low financial waters and, in an agreement forced by his creditors,

- 3 -

was forced to sell the bulk of his stock holdings. However, he remained on the board of the "Powder and Cartridge Company" which remained inactive during the period of general disarmament.

The outbreak of the Spanish Civil War gave him the new start he was waiting for. He engaged in pit-running to both sides at great profit. His record shows that he shipped obsolete or worthless material and doublecrossed both his customers. He sold the Spaniards Czech airplanes that had been condemned by the Greek Government and made a small fortune. When shipping to the Loyalists he would advise the Franco Government which was enabled to sink the ships thus identified. His insurance collections were enormous.

With the help of General Kondilis, Minister of War, one-time regent, later Vice-Premier, Bolasakis obtained a loan from the National Bank of Greece, which enabled him to purchase control in the Powder and Cartridge Company and to resume control of the other companies in which he had been interested.

German technicians were called in to reorganize the Powder and Cartridge Company and its growing number of affiliates. New machine tools were imported from Germany. (Reports on these industries have been filed or are in the course of preparation.)

- 4 -

Bodosakis then assumed general representation of several great German industries and thus established important connections with that country to which he travelled often.

His resumed power and influence permitted him to play an important part in Greek politics during the troubled years from 1935 on. As a chief power behind the throne he remained in favor with all the procession of political governments.

Greek Army G-2 considered Bodosakis a complete pro-German as far back as 1935. In 1938 he was granted an English visa only after the energetic intercession of the Greek Government.

Bodosakis' position toward the present Greek Government in London is peculiar. He seems to be on the friendliest and most intimate terms with everyone of importance, including the King, whom he visited often during George II's stay in Egypt. And yet the King is said to be very restive under the obligations of this friendship and considers Bodosakis a pro-German.

MOST SECRET

January 9, 1942

MEMORANDUM RE: A. LOGOTHETIS

Chemical and Ordnance Engineer. Vice-President and Director of the Powder and Cartridge Manufacturing Company, Athens, Greece. In charge of all their purchases, supplies, machinery and technical installations. Presently in the United States.

Age about 45. Studied in France and Belgium, and beginning in 1934 spent two years in Germany surveying munitions industries for Bodosakis (whose report is filed herewith).

Logothetis is a first-class technician and an extremely shrewd business man. He is Bodosakis' man completely, since Bodosakis found him in the Powder & Cartridge Company and singled him out for advancement.

Logothetis visited this country in 1938 for the first time, when he investigated sources of raw materials of interest to the Greek munitions industries.

Early in 1941 he returned to the United States and remained here after the occupation of Greece, attempting to find business connections for himself and Bodosakis, who arrived later.

It is reported that he has been contemplating the assumption of a connection with an American munitions plant.

- 2 -

Our State Department has asked the Greek Legation in Washington for information about him in this connection. The Greek Legation, replying formally, gave him a good character, having nothing official against him.

M. W. Fodor
Twelve Hundred and Two
December 17th, 1941

Shenandoah Ave. Chicago

Fodor 652
Sill

DEC 20 1941

12
Hon. Colonel William J. Donovan
Coordinator of Information
Office of the Coordinator
Washington, D.C.

Dear Colonel Donovan:

I am deeply obliged for your kind letter of December 13th. I hope to hear from Mr. Sherwood, but in the meantime, not to lose any time, I have sent some memoranda and a few suggestions to Mr. James P. Warburg, who, I am glad to say, wrote me to "keep on sending in whatever ideas occur to you," and said: "Your suggestions are invaluable."

Thanking you with all my heart,

I am,

Sincerely yours,

M. W. Fodor
M. W. Fodor

COORDINATOR OF INFORMATION

270 MADISON AVENUE
NEW YORK

December 17, 1941.

Colonel William J. Donovan
Coordinator of Information
20th and E Streets, NW
Washington, D. C.

NOV 18 1941

Dear Bill:

I have been carrying on a very interesting correspondence with Fodor. As you know, he was completely right in predicting the present German retreat in Russia.

He completely agrees with my little theory which we have been planting and putting out ever since the Pearl Harbor attack - namely, that the Japanese attack was supposed to come as the climax to the fall of Moscow and the opening of the gateway to the Caucasus - in other words, that it was a anti-climax to events which did not happen. In his last letter he says: "Undoubtedly Colonel Donovan contributed greatly to this defeat of Germany. If Hitler could have started his campaign against Russia in early April as he intended, he at least could have conquered Moscow and Leningrad and could have created some kind of winter quarters for the troops there, but the intervention of Yugoslavia and Greece in the war delayed his plans, and June 22nd was too late to start."

He thinks that there is a good chance that the German retreat will turn into a rout.

He estimates Nazi losses at about three million.

He thinks that the German mechanized strength is over-estimated. His estimate is that the Germans have twenty-four motorized divisions, of which two are in Libya and two in the West. Of the remaining twenty, he thinks that ten became scrap iron in Russia.

For this reason he does not believe that the Germans will attack Turkey. I think his belief is supported by the fact that the Germans appear to be giving up the siege of Sevastopol and it would seem unlikely that they would attempt a Turkish campaign without control of the Black Sea.


Fodor believes that the next German move is toward Dakar through North Africa, and that this could be done with no more than six infantry divisions.

-2-

Finally, and most important, he thinks that Hitler's, Goebbel's and Ribbentrop's recent utterances show that they know that they have lost the war, that "it is now our duty to bring home this fact to the German people." He keeps repeating that it is all-important that we destroy German morale during the next four months before Hitler can replenish his badly shattered motorized divisions for a new attack in the spring. I have asked him for specific suggestions as to how this can be done.

All this merely by way of keeping you posted, since Fodor has been well above the average in his past predictions.

Sincerely,


J. P. Warburg
Advisory Assistant

c/c to Mr. Sherwood
Mr. Barnes

FODOR, W H

December 13, 1941

Mr. M. W. Fodor
1205 Sherwin Avenue
Chicago, Illinois

Dear M . Fodor:

Thank you for your letter. I have written to Bob Sherwood and asked him to write you. I think you should try to work something out with him, although I do not know about the situation there.

Sincerely,

William J. Donovan

December 13, 1941

Memorandum for Mr. Sherwood:

There is a letter from Mr. Fodor, whom I think you know. It may be that you will want to work something out with him. Will you please take it up.

W.J.D.

Fodor 656

FODOR

November 21, 1941

Mr. M. W. Fodor
1205 Sherwin Avenue
Chicago, Illinois

Dear Mr. Fodor:

Thank you very much for your letter with
enclosures, and I know that I am going to find
it interesting reading.

Sincerely,

William J. Donovan

Fodor 181

M. W. Fodor

Twelve Hundred and Two

She was Ave. Chicago

November 18th, 1941.

Hon. Colonel William J. Donovan
Coordinator of Information
Office of the Coordinator
Pennsylvania Avenue
Washington D.C.

NOV 18 1941

Dear Colonel Donovan:

Please forgive my new intrusion. I am sending another memorandum which probably will interest you. I don't know whether you will agree with my argumentation, but I feel increasingly that during this winter the Germans can probably be "softened" by good propaganda.

Sincerely yours

M. W. Fodor

M. W. Fodor

M. W. FOLLOV
 1205 Sherwin Avenue
 Chicago, Ill.
 November 10th, 1941.

M E M O R A N D U M

The winter is approaching with great rapidity and the writer of these lines, basing his beliefs on twenty-one-and-a-half years' experience as correspondent of THE MANCHESTER GUARDIAN, THE NEW YORK EVENING POST and THE CHICAGO DAILY NEWS, all over Europe and especially in Central Europe, is convinced that the coming four months can prove fatal to Hitler if the psychological moments of the situation are fully exploited.

The end of November, December, January, February and the beginning of March will be the hardest months for Germany for many reasons. Stunned by the exceptional military power of Germany the Western Powers often lost all sense of proportion and considered Germany simply as a military problem. If Germany would be a military problem alone, then probably it would require many more years to defeat her on the one or the other, or various battlefields. But modern warfare is a combination of military and psychological weapons. Germany could defeat France not because she was militarily so superior, but because her invasion of France was preceded by a successful demoralization of both the French army and people. As Russia realized this side of the situation, she, in the usual brutal Bolsheviki manner, exterminated all possible fifth column activity at home, and thus attained that all those who could and been used by the Nazis as nuclei of unrest, were no longer amongst the living, or were philosophizing about their mistake somewhere in Siberia.

Psychologically Europe is ready for a "blow-up." Immediately in February 1919 when I arrived as a correspondent in Germany and Austria, I collected data concerning the ways and means by which the revolutions in 1917 and 1918 were started. And what were the reasons that they succeeded. They were of varied nature, but these investigations brought me the conviction that Europe, including Germany, can be brought to make peace, but only if the next four months, without delay, are rightly exploited. In the spring, however, everything may be different.

Let's analyze the situation. In the East I believe that Germany is stalled. There will be fighting going on, but Germany's task to annihilate the Russian army and to get to Baku at an early date appear to have failed. (Should the Germans succeed to reach Baku this winter, which I doubt, this would change substantially the situation, but even then the four months of winter can be decisive for her defeat.) As Germany did not succeed to knock out the Russian army, she (Germany) will have to keep a long front in the East during the winter. This is one front. In addition, she will be obliged to send increasing number of troops to the West, to forestall a possible, though not likely, British offensive against the Continent of Europe. I don't think that this offensive will come, but Germany will be obliged to keep troops there, because a lack of German army in Northern France would be an invitation for a British attack. This will be the second front.

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As a dictator cannot sit quietly on his "laurels", Hitler will be obliged to open a third front. This I believe will be in South Western Europe and in Northern Africa. (I have sent a memorandum about this possible front already two months ago.)

In addition he has a fourth front; the front of the revolting European nations. This front needs as many soldiers as other fronts, even if the army used next must not be of such highly trained quality as on the Russian front.

These four fronts will present already insoluble problems for Hitler. Germany has a limited man-power. She intended to use only five-and-a-half million men in this war as soldiers. The German and military attaches in Holland and Belgium told me this already in spring 1940. The argument was: In the war of 1914-18 Germany used eight million men for her army and thus she had not enough men to carry on production. Now she decided not to transgress the five-and-a-half million limit which was calculated by the German general staff as the safe margin. She had to break this decision, and she has now about 8 million men under arms, of whom six-and-a-half are fit for front service. Undoubtedly she could replace the 2½ million margin by women and by foreign workers, such as Dutchmen, Italians and Poles, but we know definitely that everywhere where such workers are being used there is either sabotage or a drop of production.

This is her first great dilemma.

She has no longer sufficient man power to fill up the ranks of the army, of the fifth columns and "tourists" abroad, the police, the GESTAPO, the other secret polices and intelligent services. We know that some of the GESTAPO used in Eastern and South Eastern Europe belongs to the scum of the earth. In Greece and Yugoslavia Germany had to entrust part of the policing to Italy whose policing again is unsatisfactory, and created new problems for the Germans.

Her second great dilemma are certain raw materials. Oil and gas are becoming rare. (I have sent a memorandum about this problem already three months ago.) If the Germans are able to keep going at all, this is due that they converted all grain, potatoes and other materials to alcohol which they mix with their gas. M. Houdry, who was here in Chicago a few weeks ago, confirmed my findings.

All wine from France, Hungary and Italy was taken by the Germans and converted into alcohol. Here is an anecdote about the conversation of two German tank drivers.

"What are you driving on your tank, Kamerad?" asked the one.

"I am driving 'her' on Chateau Iquem 1929," said his pal.

The other grew pale and answered:

"I have to drive mine on proletarian Italian Chianti..."

In addition to the oil shortage, Germany lacks warm textiles. Her troops will be freezing in Russia like that of Napoleon's...

Her third great dilemma is the revolt of the nationalities. Her fourth dilemma is the weakness of her allies.

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During the world war I. Germany's end was greatly hastened by the weakness of her Allies. In fact, the German general staff after the world war came to the conclusion that in a next war Germany shall not have weak allies. For this reason the General Staff in Berlin opposed Italy's entry into the war in June 1940 and only when the generals themselves believed that the war was over (they believed that England will give in after the fall of France), did they consent to admit Italy as Germany's ally.

It was Bulgaria's weakness, Emperor Karl's efforts for separate peace, Turkey's slow military and political disintegration which undermined Germany's morale during the last war. When in June 1918 Bulgaria sought contact with President Wilson for a separate peace, without the knowledge of her Ally, the fate of Germany was decided. Militarily Germany looked still strong; in March 1918 her offensive brought her nearer to Paris than on any other former attempt of offensive, and yet the militarily still strong country was on the way of downfall.

Today the interior cohesion of Germany, of course, is stronger because the fear of a "second Versailles" keeps them together. For this reason I would propose the following tactics: Nazi Germany should be bombarded by broadcasts which would disrupt her internally. The line should be the following: "You Germans are defeated. You think, because of your propaganda, that you are achieving victories. But where are those victories? Leningrad was to fall ten weeks ago and yet it is still in Russian hands. Moscow was to fall six weeks ago and in truth it is still in the hands of the Russians. You are stalled in the East. You have against you 190 million Russians, 60 million of the white population of the British Empire and the 130 millions of the United States. You have the resources of this huge combination against you. You cannot win. The whole question is whether your defeat will come in two months or two years. If you are sensible and you throw out your present masters, you can have peace with honor. Noone wants to make the political and especially the economic mistakes of Versailles. But if you delay this decision, then in six months or in a year we may not able to hold the infuriated suppressed masses of Europe and then the peace will not be even Versailles: it will be another Brest Litovsk."

I am sure this will work. If the plans of the Allies would prevent "peace with honor", that does not matter for the validity of the formula, because the Germans will surely delay it and then the blame can be pushed on them.

The formula is good because the Germans support Hitler for a very simple reason: They believe that victory is still possible. If the Germans are convinced that is no longer possible to win the war, then they will give in. For this reason the next four winter months are logically fit for this campaign. There will be privation in Germany, no coal and no warm clothing. Layers which hitherto followed Hitler blindly are in revolt. We hear all the time about the shooting of 100 Frenchmen for the murder of two high German officers.,

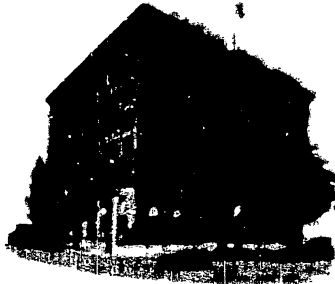
4.

but the number of Gestapo and secret police snot and purged because they could not prevent it, was not mentioned. We must remember that these Gestapo people are no gentlemen. If they will have to fear for their lives, they will swing round. I see in Himmler the leader of the coming German revolt. Remember Fouché who after Napoleon's decline went over into the service of Metternich!

The aerial propaganda should be consistent and unceasing. If one person hears it, in a few days hundreds know about it. And the Gestapo listens in all the time. I know that probably most people will doubt the feasibility of such a propaganda, but I studied revolutionary mentality since February 13th, 1913, the day when I arrived in Germany as a special correspondent. I vouch that if carried out cleverly, this plan must succeed. But it must work before March next year. Because during the winter the Nazis then can store new material and oil resources and can start a new campaign which will feed the Germans with new victories.

#

CAPITOL PARK
UNION STATION PLAZA *Hotel*
WASHINGTON, D.C.



Sept. 9th, 1941

Hon. Colonel William J. Donovan
Office of Coordinator
Washington D.C.

Dear Colonel: *see news Clipping*

I am returning the two
German papers with my
congratulations. Five years ago,
if I remember well, the same
Nazi (or nasty) organ wrote a
similar series about a certain
man named Winston Churchill.
I think even the same fellows
committed the articles. Not a bad
company, after all!

Sincerely yours
M. Fodor

9/9/41

File
Remainder of
+ [unclear]
+ [unclear]

M. W. Fodor

The suggestion of Mr. Fodor to Col. Donovan on the subject "War of Nerves" was that a commission should be set up in this country, and given great publicity, for the purpose of studying and considering the producing of silk in the event that war should develop with Japan. He states that the reaction will be very serious among the industrialists and the laborers in Japan engaged in silk production.

Mr. Warburg phoned from New York saying that he had a letter from M. W. Fodor, newspaper correspondent in Chicago, will will be with Edgar Mowrer for the next day or two should Colonel D. wish to see him, or Fodor will be in New York on Sept. 10, 11 and 12. If Col. D. wishes Warburg to see Fodor in NY, drop him a line.

Sept 11 am
see [unclear]

File

ILLINOIS INSTITUTE OF TECHNOLOGY

A CONSOLIDATION OF ARMOUR INSTITUTE OF TECHNOLOGY AND LEWIS INSTITUTE

CHICAGO

Divisions:
ARMOUR COLLEGE OF ENGINEERING
LEWIS INSTITUTE OF ARTS AND SCIENCES

Private address:
1205 Sherwin Avenue
Chicago, Ill.
August 26th, 1941.

Colonel William Donovan
Coordinator of Information
270 Madison Avenue
New York City, N.Y.

*Remains
+ Thruo Clippings
+ Oil
+ Fed. M. Co.
+ Russian*

Dear Colonel Donovan:

Forgive me for troubling you again, but I thought that the enclosed cutting from the Chicago Daily News may interest you. Between ourselves I can tell you that while I was in Holland at the beginning of this war I made the acquaintance of de Cock, the President of the Royal-Dutch-Shell (he died since then), but through him I established contacts which help me to obtain information about German oil reserves.

I however have to add a few words to my article. To my calculation the German oil and gas reserves, originating from synthetic gas, crude oil and Rumanian provenience, would now be as low as ten million barrells. This unfortunately is not yet true, because Germany mixed her gasoline with considerable quantities of alcohol and benzol. Owing to the requisitioning of enormous quantities of potatoes and grain in the occupied countries Germany was able to produce large quantities of alcohol, though the production of alcohol is restricted by the not all too large alcohol distilleries and refineries in Germany and in the occupied countries. But even if we grant that the benzol and alcohol supply was very considerable, I doubt that at present Germany has more than three months stock of gas if the campaign in Russia continues at the present scale.

You have noticed that I calculated the Rumanian supply of oil and gas at 21 million barrells. Many people still calculate that the Rumanian normal supply is 45 million barrells. But this is not so. First, the Rumanian oil wells suffered much from sabotage and by cam'canny already before the Russian campaign. Then remains the great problem of transport. The transport on the Danube is very limited. I doubt that they can transport more than one million barrells per month in the river tankers, and this can be done only until the Danube freezes. And Germany is suffering an even greater shortage of tank-cars than this country.

I think this is the most reassuring fact at present. This explains why the Germans cannot carry on with the mass bombing of England. We know that they left a formidable air fleet in the West, but they want now to use the gasoline only for defense!

The other very reassuring sign is the revolt of the masses in Europe. Please forgive if here I try to make suggestions. I guess that you have thought of the same, but perhaps I can give one or two new ideas. This revolt of the masses is at present encouraged by the Russian resistance. Also by efficient Russian propaganda amongst

ILLINOIS INSTITUTE OF TECHNOLOGY

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CHICAGO

Division:

ARMOUR COLLEGE OF ENGINEERING
LEWIS INSTITUTE OF ARTS AND SCIENCES

2.

the oppressed nations.

Here, I think, the United States should do something. As long as Hitler was winning, the danger was that Europe will be a Nazi domain after the war. Now there is a good chance that Europe may become a Stalinite satellite. Many isolationists already use this argument against help to Russia.

I do not fear a Russian victory if this country is keeping the watch. Nazism was expansive and imperialistic, and in case of a Nazi victory in Europe this country would be directly menaced. Russian Bolshevism may be expansive by propaganda, but not by sword. Now as long as the Russian worker cannot reach the standard of life of the American worker, there is no Bolshevik danger in this country, and this is a long way off! But if America does not take sufficient interest in what is happening in Europe, then this country may have the surprise that the largest part of Europe will go Bolshevik after this war. This however is not necessary.

For this reason I thought that it would be essential that this country should take an active interest in encouraging the revolutionary movements in Europe and giving the lead to them, instead of letting it to be a Bolshevik revolution.

If you, Robert Sherwood, Dorothy Thompson, John Gunther, perhaps some "free Frenchmen," and others could occasionally make short wave broadcasts to those countries, this country could have a decisive influence on them. It would make a great difference if Edouard Herriot, and not Thorez, would get the upper hand in France after the war.

I don't know whether you met during your Prague stay Wenzel Jaksch, the heroic leader of the Sudeten German Social-Democrats? He is now in London and he wrote to me an interesting letter about the "new Europe in making" in London. He wrote to me in German but I ~~also~~ include a translation of part of his letter. I think it may interest you.

Very sincerely yours

M.W. Fodor

M.W. Fodor

Copy of parts of Venzel Jaksch's letter.

London Representative of the Sudeten German
Social Democratic Party. 16, Laurel Gardens, London N.W.7.

24th July, 1941

(At the beginning of his letter Jaksch wants me to draw to London because he says: I have the combined European-American outlook. "Whatever will happen after the war, it will not happen either on basis of a purely European continental, nor from point of view of the Americans. in-making)

"The Miniature-Europe in London is a very fluid thing. The positions are continuously shifting, and up to now not even the best intentioned persons in the varied camps could come to a mutual platform. England is too much engaged to act as an intermediator. America will naturally have to say a powerful word. The question remains whether this word will be uttered from an abstract point of view or on basis of the intimate knowledge of the very complicated European continental problems. I myself also believe (this is an answer to my suggestion Fodor) that regional federations could be started much easier, but naturally only if a European authority exist from the beginning, which wishes to solve ultimately the entire European problem. There are already conversations about a central-European solution in which the Poles and Czechs counter the principle of confederation with the principle of federation (meaning regional federation).

"No documents of this kind exist because all partners on account of tactical considerations are reluctant to come out with concrete proposals.....

"As much as I was in contact with democratic circles from Hungary and Rumania (Transylvania), it seems to me that a larger Central European solution would be agreeable to them.

"I think it would be only through brutal force that the Austrian population could be forced to be again a small, helpless buffer state. If in the interest of a European stability the breaking up of the Great German bloc would be necessary, then Austria, and especially Vienna, ought to obtain a satisfactory part in such a combination. But much will depend on whether it will come to a revolution in Germany, or only to a collapse.
etc.

Yours W. Jaksch..

THE CHIC

Predicts Lull in Nazi Drive As Oil and Supplies Diminish

(The following commentary by a former member of The Chicago Daily News Foreign Service gives the view of one who has studied and written about European affairs for more than 20 years. Mr. Fodor is now on the faculty of the Illinois Institute of Technology.

BY M. W. FODOR.

The current Nazi offensive against the Ukraine will be followed by a lull in the fighting along the whole Russo-German front, in the opinion of this observer.

This prediction is based on two considerations: Germany's growing supply problem and the shortage of oil soon to be felt by the Reich, according to the latest figures obtainable.

In the first two months of the Russian campaign the Nazi war machine has expended 36,000,000 barrels of oil, according to these estimates. That amount—equal to Germany's total available production per year as late as November, 1940—has been used as follows:

For 15 panzer divisions, 10,000,000 barrels; for 200 motorized and infantry divisions, 16,000,000 barrels; for aviation against Russia, 5,000,000, and for all armed forces in the last two months in occupied lands, another 5,000,000.

Where the Oil Comes From.

In the 10 months before the start of the Russian campaign I estimate that Germany used 50,000,000 barrels of oil. Actually this approximates the total German-controlled oil production, figured most hopefully for the Nazis, as of July, 1941.

The figure was arrived at by totaling these sources: Twenty-one million barrels from synthetic plants, 21,000,000 from Rumania, 4,000,000 from German wells and 5,000,000 counted on from the Ukraine.

Certainly the last-named quantity is no longer available for German use. And the British bombing of oil plants at Cologne, Gelsenkirchen, Hannover, Magdeburg and the important Luena works cannot have failed to reduce synthetic production to some extent.

There is also no telling what damage the Russians have inflicted on the Ploesti fields of Rumania. But if these Soviet bombings have been at all effective then surely Germany will feel the oil pinch before long.

We see the Nazis using a total of 86,000,000 barrels of oil in the last 12 months—a period when their own most hopeful estimates placed their total available production at 51,000,000 barrels. Evidently they have been operating on the stocks given them by oil seized from Norway, France, Holland and Belgium. Unless the Reich gains access to the fields of Iraq, Iran or of Baku, they will find themselves operating on the slimmest margin of oil reserves.

The Supply Problem.

The other factor leading me to foresee a lull on the Eastern Front is the German supply problem. It has been the fashion to emphasize the Soviets' transport problems, but those of the Nazis are no less difficult.

German railroads operate on a track 16 inches narrower than the Russian. Having crossed the Soviet border, the Germans must transfer all shipments to cars that can travel on Soviet rails.

Further, German shipments to the front must pass through hostile territories—Czechoslovakia and Poland—on their way to Russia. Sabotage in these areas is increasing daily, according to all reports.

RAIDS ON RUMANIAN OIL HAVE CAUSED GREAT LOSSES

Istanbul, Turkey, Aug. 21 —(UP)—Russian air raids on Rumanian oil fields and pipe lines have caused tremendous damage and loss of petroleum products, travelers arriving here today from the much-bombed Rumanian oil port of Constanta reported.

The travelers said that during a recent Russian bombardment of the Cernavoda bridge, about halfway between Constanta and Bucharest, important pipe lines were hit in two places, causing fires that blazed for hours.

That bombardment was reported to have cut off a huge supply of aviation gasoline needed by Germany for the campaign against Russia.

Great damage was said to have been done to oil supplies in Constanta itself. When the Russo-German war broke out, travelers said, every oil reservoir in Constanta was filled to overflowing with petroleum products for export to Russia and Turkey.

*Fotor
& Sherwood*

August 11, 1943

Mr. Robert Sherwood,
85 Sutton Place,
New York, N.Y.

Dear Bob:

Herewith a letter from Dr. E. F. Fodor,
who, as you know, is a very active correspondent through-
out central and southeastern Europe for the Chicago Daily
News. In point of fact, I traveled with him through
Czechoslovakia just before it was taken over by Germany.

Sincerely,

Enclosure.

Dr. Fodor's address 1205 Sherwin Ave., Chicago, Ill

J-L

By M. W. Fodor

When the Russian winter will force Hitler to comparative idleness in the East, the German armies will be turned South West, ^(got hold of) to ~~take~~ the rich ore mines of Northern Africa and of the agricultural produce of those parts, is the opinion of this writer. Certainly the rain, snow and quagmire of the Ukrainian plains and the Russian steppes will bring the Nazi forces to a temporary standstill during the winter. Is Hitler and his army going to settle down to another winter of "phony" or bore war? The answer is: No.

The greatest difficulty of the dictators is that it is impossible for them to remain ~~idle~~ idle. A "jobless" army of a dictator is bound to be exposed if not to disintegration, so at least to a quick deterioration of morale. For this reason as soon as the one campaign is finished the other must follow.

Weather conditions will force Hitler to cease major operations in Russia latest by the middle of October. By that time it will simply be impossible to think of an invasion of England. Tempests and storms on the channel, low-ceilinged clouds, would make an invasion impossible because the flat-bottomed barges, intended to be used for such invasion, would be played havoc with in such stormy days while the leadlike clouds would prevent a ^{successful} real aerial offensive. Under these circumstances the swastika-wearing dictator would have to trust his luck in parts with better climatic conditions. Only two choices remain for him: Either the Near East (that is the Eastern Mediterranean), or the "conquest" of Northern Africa, at present in possession of Hitler's own allies.

In an article, written in the New ^(New York) Republic, ⁽ⁱⁿ October 1940 I rightly predicted that with the end of August Hitler missed his chance of an invasion of England, and thus he was compelled to

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seek other battlefields. I then fortold that Hitler probably wanted to make a concerted campaign in the Near East, with the object in gaining the oil and petrol resources of Iraq and Iran, because the greatest weakness of Germany then (and also today) was (and is) the shortage of oil.

The Nazi plans for this conquest were well calculated and it was not Germany's fault that the plan did not materialise. In the late summer of 1940 Hitler still believed (not the German general staff) that Mussolini's army was a good one, and while Germany took over the duty to "squeeze" Rumania and Bulgaria, Hitler entrusted Italy to apply the pressure on Greece, either by "peaceful" methods, or, if necessary, by war. It was calculated that the joint Germano-Italian pincers thus could be applied on Turkey before the end of 1940.

The failure of Italy's army in Greece, however, had upset these plans, and by the all too early outbreak of a revolt, German-engineered, in Iraq had spoilt the rest of the game.

It is reported that Germany is already massing troops in Bulgaria which would point to a German intention to carry out the plans of last year this time. Certainly Germany is badly in need of oil and petrol, and thus the natural penetration would point in that direction. But the prompt intervention of Britain and Russia in Iran had removed the German chance to apply the old strategy of pincer movements, and thus to have an Iranian German-lead army in the back of the British fighting in Iraq and Egypt.

Under these circumstances a campaign in the Near East would need, first, a victory over Russia, and, second, more careful preparations in face of possible joint Turkish-British-Russian resistance. And as Hitler cannot remain idle, he thus will

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have to choose another diversion.
that this will be in a
requests of Africa, Russia, France
Hitler has several possibilities
Hitler has a one-tracked mind and
defied him. An occupation of Damar and
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on Roosevelt. Second, such a northern
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hungry Nazi soldiers. Third, it would bring
of the north African manganese, iron-ore and
well as that of the rich agricultural
Morocco. Fourth, the African heat and sun
would appeal to the German ^(Soldier) always in quest of
Europe's cold climate.

For this reason I wish to analyze
parts which will be effected
These parts concern

3

have to chose another diversion. The writer of these lines believes that this will be in a South-Western direction, comprising the "conquest" of Africa Borealis, right up to Dakar.

Hitler has several reasons to act in this way. First, Hitler has a one-tracked mind and wants to take "revenge" on all who defied him. An occupation of Dakar and Western Equatorial Africa would be a direct threat to this hemisphere, and thus a "revenge" on Roosevelt. Second, such a Northern African campaign would be the easiest, because it would require hardly any fighting, and yet it keeps the army busy and assures enough loot to the booty-hungry Nazi soldiers. Third, it would bring him into the possession of the North African manganese, iron-ore and phosphate mines as well as that of the rich agricultural products of Tunis, Algiers and Morocco. Fourth, the African heat and sunshine during the winter would appeal to the German ^(soldier) always in quest of the sun after Northern Europe's cold climate.

For this reason I wish to analyse the situation in these parts which will be effected by the events of the coming months. These parts comprise South Western Europe, North western and Western Africa. During the last two years I had ample opportunity to visit many of the involved countries and thus I have direct information about the conditions in those parts.

The first obstacle in the way of this coming push has already been eliminated, namely the possible resistance of Vichy-France. Many Anglo-Saxons cannot understand how a French soldier, such as Marshall Henry Petain, could embark on his pitiful and shameless present policy? How could a kinsman of Lafayette betray so miserably the ideas of the French revolution? How could he forget the elements of decency and honour and make a common cause with the arch-enemy of his country?

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The idea of liberty is (burning) still high in the heart of the French masses. But there were, and are, three small yet influential groups in France whose mentality and outlook differed from the rest of their countrymen. The one group was that of the "Anglophobes." The majority of the Frenchmen regarded, and regards, Nazi Germany as the arch-enemy of his country; the group of Anglophobes however, hated Britain more than they loathed Germany. Many of these believed in Latin brotherhood (or sisterhood?) and calculated that a cooperation between France and Fascist Italy would promote their cause. The most typical representative of this group was Pierre Laval, the careerist politician, who from rabid extremist syndicalist-socialist and pacifist became an admirer of Mussolini, and later, for shrewd tactical reasons, a collaborator of Hitler. (It is no wonder that he was amongst the first amongst those who were victims of a political assailer from the opposing camp.)

Paul Baudouin was another man of this group while others amongst the British-haters were Marcel Deat ^(also wounded recently by an assassin's bullet) and Jacques Doriot.

Other Anglophobes were ushered into the anti-English camp not so much by the love of Italy and her present master, but by German money and propaganda. Count Ferdinand de Brinon and Jean Louchaire are the most typical representants of this sub-grouping, while the former Foreign Minister and Ambassador, Georges Bonnet, must be classed of being between the two camps.

The French financiers and industrialists were equally responsible for the turn of events in France. The fifteen regents of the Banque de France and the leading members of the Comité des Forges (the Association of Ironmasters) were attentively listening to German appeasement-sirene voices. Like the English appeasers believed that one could do business with Nazi Germany, the Comité des Forges believed this even in an ~~more~~ increased measure.

5.

Shortsighted and uninformed on essentials, they regarded the Nazi pleadings as genuine. Those industrialists in France hated the trade (labor) unions ~~which~~ which undoubtedly were causing increasing trouble in France. The Comité people saw everywhere the hidden hand of Communist propaganda (which was partially true), and just as the British appeasers, they hoped that expansive Nazi Germany will turn against Russia and will "extirpate the cancer of Bolshevism" from the world. For this reason they listened willingly to Otto Abetz, the shrewd emissary of Herr Joachim von Ribbentrop, who assured them that there was no clash between French and German interests. Abetz whispered in their ears that Hitler wanted to turn against Russia, and that German and French industrialists shall cooperate.

One must keep in mind that there existed a close collaboration between ~~between~~ French and German ironmasters. The Vendells were owners of mines and factories not only in France and Alsace-Lorraine, but in the Saar and in ^(Roerling and) Westphalia. Thyssen, the German industrialist, in turn, had large possessions and interests in France. Moreover, Germany was badly in need (in peacetime) of the ~~the~~ Lorraine iron ores, then in French hands. Thus it was easy for ~~the~~ August Thyssen and Otto Abetz to persuade the Comité members to consider a Germano-French industrial collaboration as desirable.

Today these ^{French} ironmasters, just as Thyssen and some of his ^{German} friends, have learned the value of Nazi promises. They are today practically penniless. And if the German ironmaster at least is left in the illusion that his factory and works are his (though all profits are taxed away), the French ironmaster is no longer the owner of his works because by one twist or another German banks or organizations have now assured at least "51 per cent" of the ~~ownership~~ ownership in all important works. The French mills have to

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work for the German State and army, the profits are not only taxed away but huge sums are levied on the owners to cover the costs of the German army occupation.

There remains the third group, the French army officers. The end of the last war revived the legend about the greatness of the French army. Undoubtedly some of the French officers, like General André Maginot, who foresaw the need of powerful defense, or General Charles de Gaulle, who realised the need of powerful armoured units, retained the old greatness and admirable adaptability, but with the bulk the victory of 1918 revived a spirit such as was latent in the French army in the nineties of the last century and which today could be described with the word: Nazi. We must recall that fifty years ago the Dreyfus affair rocked the foundations of the French officers' corps, and it was due to the energy, courage and alertness of the two great Frenchmen, Georges Clemenceau and Emile Zola, that the deep reactionary and anti-semitic spirit was suppressed in the French general staff.

The mentality of Marshall Henry Petain, General Maurice Gustave Gamelin and of Maxime Weygand is very similar to this fin-de-siecle way of thought of their predecessors. This is probably why Otto Abetz could easily force into cooperation the aged Marshall, and also his British-hater Premier, Jean Darlan. During the last years the hatred of Communism amongst the "big pots" of the French army was greater than the hatred of Nazism.

In September 1939 I was dining in a Tunisian restaurant with some French officers of the general staff. The American Vice-Consul was also present. The war was already on and the streets of Tunis were blacked out. The chief of staff of General Blanc, the commanding general of the Tunisian army, was a highly educated officer who probably spoke a dozen languages with the same ease. He knew

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Russia like he knew his hand. Though he was a general staff officer, he accepted for two years the post of a photographic correspondent of a prominent Paris weekly and travelled all over Russia. In the fourth week of the war, when Poland, France's ally, was almost finished, this high officer told me:

"I cannot help to think that the real enemy of France is not Germany, but Communism!"

To such extent was the French army infested by anti-social and anti-Bolshevik spirit, though on paper, until a few weeks' previous to this conversation, Russia was always considered as an ally of France!

Marshall Petain and his henchmen feel in the same way today as this high French officer felt two years ago. Petain's hatred of Communism was greater than that of Germany. Yet Communism, in reality, is a danger only to countries whose social and economic level is below that of Soviet Russia; Nazism, on the other hand, is an aggressive, expansive and imperialistic idea and regime which places no limits to its ambitions except if stopped by force.

Marshall Petain and Admiral Darlan have committed themselves so definitely to cooperation with Germany, that, despite of the growing revolutionary feeling in the country, Vichy-France will no longer be any obstacle to Germany if the march toward Africa will start.

What about Spain? The next stepping stone, after the completed passage through France, will be the occupation, or the passage through, the Iberian peninsula. Let us have no doubt: The sympathies of Caudillo (Generalissimo) Francisco Franco are definitely with the axis. The Spaniard, however, is possessed with infinite pride and a "sacred egotism."

Many are inclined to believe in foreign countries that Spain is already a kind of dependency of the axis. Yet the truth is that the Spaniards always were wont to loath foreigners, whether friend or foe. They maintain the same spirit today, probably even more than ever before. I will never forget that during the civil war in Franco's Spain in 1939 several Spaniards told me the same joke in different cafes (I will never forget how bad was the coffee substitute!): An Italian officer courted a Spanish lady and urged her to utter the promising words: "Yes," "Only one word, senorita, from your beautiful lips," he urged again and again. "Only one word." At last the senora softened and uttered the ~~one~~ words: "Guadalajara!" (Guadalajara was the battle in which the Spanish Loyalists routed badly an Italian blackshirt army corps.)

There was, and is, much evidence of German-Nazi infiltration in Spain. Engineers at the Rio Tinto mines or in Bilbao or at the Hispano-Suza works were often Germans. The Gestapo was all over. Often the telephone operator answered in German. I myself had an experience proving such German Gestapo interference.

When after my retreat from France at the end of the Blitzkrieg at the end of June 1940 I have reached the Franco-Spanish border, I was compelled to visit the commander-in-chief in Irun to obtain a safe conduct from him. The usual Spanish disorder ruled in his office, except one huge box on the table which showed all signs of German orderliness. This box contained the files of all suspected persons, and its German "Ordnung" showed that it was made by the Nazi Gestapo. I then remembered that I saw in front of the commander's office a car with German registration or licence plate.

"This is your last day," I thought. I was sure that the Germans certainly did not omit my name from their famous black-list.

The commander's aide took my passport and with the exaggerated Spanish politeness he look^{ed} up the names with my in the file. He then whispered something into the Colonel's ear. The Colonel then with equal politeness asked me to his table, and-- signed my safe conduct. I was safe! I felt naturally relieved but for a long time I could not understand how was it possible that I passed this double Spanish control.

When I told the story to my wife she immediately found "satisfactory explanations." You certainly were on the list. But while the files were made by the Germans, they were looked over by a Spaniard..."

What is the nature of the right in Spain? And call it Fascist, but I think, this description does not tell good. Probably it is an old-fashioned reaction of a very bad kind. Almost mediaeval reaction. The Caudillo (the Spanish Führer) balances with skill between the divided rank of his supporters. He is seeking equipoise between a junta of about seven generals and the Fascist rowdies of his brother-in-law, Senor Ramon Serano Suner, and in addition he makes into consideration the claims of the Church, of the Monarchists of various shades, such as the followers of the traditional or Alphonist line and the partisans of the Don Carlos line, the so-called Regueteros. In 1939, when the civil war came to a close, the most influential seven generals were Aranda, Ascenio, Queipo de Llano, Solchaga, Varela and Yague. Some of them, like Queipo de Llano and Aranda, were "temporarily" purged, but regained again their influence. Ultimately the weight of these generals round Francisco Franco is probably the most decisive factor in Spanish politics.

We hear a great deal of the Phalanges and we are apt to overestimate their importance. Their leader, Senor Ramon Serano Suner,

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is the brother-in-law of Franco, and, amongst others, the entire propoganda machine is in his hands. He is the Spanish Goebbels. Every piece of news that leaves Spain has to pass his office and bears his mark. Therefore, the ^{world} ~~public~~ obtains the impression of an unduly overwhelming Fascist predominance in Spain.

When I was in Spain in the spring 1939 I could not help to feel the great similarity between the tactics of Franco in Spain and Schuschnigg's in Austria. When Chancellor Dollfuss of Austria decided, at Italian instigation, to destroy the Austrian Socialists, the repression that followed in the wake of the February 1934 purge in Austria was entrusted to the Fascist Heimwehr of Prince Ernst Ruediger Stahrenberg. Everybody believed that the Fascists were all powerful. Yet Dollfuss, and later Schuschnigg, just used the heimwehr to carry through the "dirty work," namely to purge and execute Socialist leaders. Schuschnigg wanted to spare the army from soiling its hand with such a mean job. It is the same in Spain. The filthy duty to expurgate the Communists, Socialists and Republicans in Spain was entrusted mostly to the Phalangists so that the army could be spared from this business of retaliation.

Both the Spanish army and the Phalangists obviously loathe Communism and Bolshevik Russia, the country which supported their enemy, the Spanish "Reds." Spain joined the anti-Comintern pact on March 27th, 1939. When five months later Germany concluded a non-aggression, friendship and trade pact with the Soviets, great was the disappointment of the Spanish leaders, despite all the reassurances of Berlin. The German-Soviet treaty, at least temporarily, brought a decided rapprochement to England, though the Spanish press, under the influence of its propoganda chief, Serano Guerin, continued in praising the axis.

The recent Nazi attack on Soviet Russia had revived this old feeling of hatred against the Bolsheviks. Certainly the

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sympathies of the present rulers of Spain, should they be army leaders, Phalangists, Monarchists or churchmen, is with the Nazis against Soviet Russia. Nevertheless, it would be a mistake to assume that Germany will be able to obtain the active cooperation of Spain in her push toward North Africa.

Spain bled to death in 1936-39 and is completely exhausted. There is real starvation, complete lack of the most important commodities, and the damages of the civil war have not yet been repaired (except a few showy reconstructions in Madrid). Moreover, the house of Spain remains divided as it was before the war, even if this division is not visible on the surface. The loyalists have retained their old sympathies. If Spain would mobilise her people for a major war, this would necessitate to arm people who loathe the present regime more than any outside enemy. Spain will do everything in her power to ^{prevent to} be dragged actively into the war.

Knowing the hatred of his countrymen against everything foreign or against all foreigners, Franco certainly would hesitate to permit passage to German troops across his country. But he has no power to prevent it, if Germany choses to march.

At present Germany attempts to involve Spain into the present war with all kind of tempting baits. Germany offered Gibraltar as one such bait, while another is a promise to obtain a large part of French Morocco. Also the Germans try to encourage Spain to march in and occupy Portugal.

I doubt that Franco will comply with any such German demands or will fall for such baits. But we must reckon with the fact that as soon as winter approaches Germany will probably force a passage through Spain, knowing that while Franco will protest, he is not in the position to fight. It is another story that, should Germany

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chose to march through Spain, the sabotage of those Spaniards who are still Republican in their hearts would constitute a serious obstacle for the supply of the German armies.

German emissaries, of course, do their best to incite Spanish nationalists to occupy Portugal. For one thousand years Spanish Jingoos always endeavoured to incorporate Portugal into the possessions of the Spanish crown. Ever since ~~after~~ the rule of the Spanish king, Philip IV., ^{when} the Portuguese succeeded to reestablish their independence in 1640, ultra-nationalists in Spain doubled their endeavour to re-incorporate Portugal into Spain. The Spanish Phalangists are representatives today of this idea of reconquering Portugal. Already in the early spring of 1939 this almost happened.

Then Italian and German troops were concentrated near Huelva, (and also some Phalangist legions). Huelva is in the South Western corner of Spain, immediately on the frontier of Portugal. In April 1939 the Italians expected to bear pressure on England by eliminating Britain's oldest ally, Portugal-- the British-Portuguese alliance dates from 1366. I then hurried from Lisbon to Villa Real, the Portuguese place across the frontier, opposite Huelva. We expected an immediate attack, but the expectations did not materialise. The reason of this anti-climax was that Franco raised his veto against such an incursion into Portugal.

Why was Franco opposed to such an attack against Portugal? A Fascist leader certainly would have had no such hesitation, ~~because~~ the Fascist is unscrupulous and is characterised that his word is worth nothing. For sacro egoismo, for selfish aims, the Fascist is ready to tell lies, to break treaties and friendships, if only this suits his own selfish interests. The Fascist gives his word of honour in the morning, and breaks it in the afternoon, if his selfish interests demand it.

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Franco is the type of the old-time reactionary gentleman, such as probably was the Duke of Wellington. Sir Arthur Wellesley would not have broken his word even in the interest of his country, though he did not hesitate to permit ^{the} ~~to~~ shoot ^{ing} ~~down~~ ^{of} thousands of innocent persons if his class' aims demanded it. In recent times Count Paul Teleky was such a gentleman who was not hesitating to persecute with his opponents at home by all kind of ruthless methods, but she considered the given word sacrosanct. He concluded a non-aggression treaty with Yugoslavia, and when Hitler forced the Hungarians to attack that country, he could not survive this "shame." Instead to break a given pledge, he committed suicide...

Franco belongs to the same class. The Spanish Caudillo (Francisco Franco) ~~thinks that he owes~~ ^{thinks that he owes} ~~Portugal~~ gratitude to Portugal. Though the Italians have boasted of having saved Franco's ^{country} revolution in July 1936, the truth is that Mussolini's help came rather late. But immediately after the outbreak of the Spanish counter-revolution on July 17th, 1936, the Portuguese Prime-Minister, ~~Antonio~~ Antonio de Oliveira Salazar, permitted the despatch of fifteen thousand Portuguese Fascists (Legionaries) to the hard press Burgos. This Portuguese help in July and August 1936 had saved Franco, because in the meantime he was able to transport his Moorish troops from Africa to Spain. Without this Portuguese help the Italian intervention would have come too late.

Franco gratefully remembered these services of his small neighbour. Moreover, Nichola Franco, the brother of the Caudillo who was ^{Spanish} Ambassador in Lisbon just during those days, signed with Salazar a treaty of friendship and non-aggression on March 17th, 1939. If Franco signs a treaty, he means to keep it. This saved Portugal in April 1939. Will it save her now?

I still doubt that Franco will permit ~~in~~ a Spanish invasion

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of Portugal, but he probably will not, and cannot, prevent a German occupation of that country. The Nazi march into Portugal will be a sad blow to this country, bringing the South Western end of Europe under Nazi domination and thus would give to Germany an effective control of the lower reaches of the Eastern Atlantic. If, in addition, Germany will succeed to seize the island and some of the colonial possessions of Portugal, such as the Azores, Madeira, the Cape Verde Islands and Portuguese Guinea, this would constitute an eminent menace to ~~the~~ the Western Hemisphere. ^{In this era} ~~the~~ of flying machines the Azores would constitute an important stepping stone towards the Eastern coast of the United States; Portuguese Guinea and the Cape Verde islands are as important in the aerial ^{and naval,} defence of Brazil and the Panama Canal as ~~is~~ ^{is} Dakar.

It is a pity, nay: a tragedy, that the American politicians have not realised in time the importance of these Portuguese islands and colonies in developing their own security. After interviews with leading Portuguese statesmen in the spring of 1939 I wrote articles in the Chicago Daily News in which I came to the conclusion that the United States could come easily to favourable terms with Portugal which terms would assure a peaceful cooperation between the two countries. I wrote then in the Chicago Daily News, amongst others:

"Good relations with Brazil form another cornerstone of Portuguese foreign policy....Brazil is also an important country for the United States. Under these circumstances it is essential that the United States take serious notice of Portugal. The United States cannot exclude alliances in another continent. But there is no need for an alliance. The United States can approach Portugal

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openheartedly and discuss mutual interests. The United States should take into consideration the sensibilities and pride of the small countries imbued with an age-old tradition of imperialism.

"Portugal was helpful in establishing the bases for the Pan-American Airways' transoceanic flights. This cooperation could be successfully furthered in other directions. If the United States will understand the necessity of such a move in time, both she and Portugal may profit greatly by it."

This I wrote in May 1939. I have remained a crier in the wilderness.

I sailed on June 2nd, 1939, from Gibraltar to Lisbon, on a Dutch steamer. The night before my departure there was a realistic manoeuvre in Gibraltar with blackout. During the whole night the big guns were booming.

"Next day I discovered that my departure from Gibraltar coincided with the pulling out of Italian troops from Spain. The Italians were leaving Cadiz on ten huge transport ships; I was sailing to Lisbon, and ^{therefore} ~~was~~ in the opposite direction ^{as} ~~was~~ the Italians were travelling. Thus my ship passed the Italian troop transport steamers which then were just passing within the range of the Gibraltar batteries. It must have been a great temptation for many of the British fortress artillerists to see this wonderful target pass by-- unchallenged.

Though Gibraltar passed into British hands in the early years of the nineteenth century, it remained a strange mixture of English and Spanish-- two things which do not mix! There are houses which could be in Galway or Ayreshire or Yorkshire, and there are buildings which could be in Almeria or Malaga.

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Ever since the Ethiopian war government-controlled Italian newspapers were complaining that the British rule at Suez and Gibraltar made the Kingdom of Italy a prisoner in the Mediterranean sea. These Press comments have shown that Italy was endeavouring to obtain a control at both exits of this sea, and, indeed, Italy regarded the intervention in Spain as a good opportunity to obtain advantages from Spain which ultimately may weaken England's hold on the rock fortress.

The technical part of the axis move in Gibraltar's surroundings, however, was entrusted to the Germans. General staff experts of the Reichswehr visited the Gibraltar district as early as 1936 and then again 1937. They reviewed the surroundings of the fortress and came to the conclusion that the forts of Gibraltar can be, and must be, silenced. A rather thorough technical work started. The highest point in Gibraltar is only 1396 feet high. On the African shore, opposite Gibraltar, lay the cliffs of Ceuta. The Jebel Musa range rises in the Sierra Bullones to an altitude of 2700 ft. The Germans were ready to exploit these advantages.

The situation was also quite favourable on the European side. Thus important batteries from the German firm Krupp were brought into position on the rocks of Punta Canales, also known as Punta Carnero. If the batteries of Punta Almina in Ceuta could play havoc with Gibraltar from the South East, the well-hidden batteries of Punta Canales were able to shoot right into the bay of Gibraltar. Somewhat further situated is Punta Marroqui, with the city of Tarifa, and above are the huge rocks of Sierra de la Luna. This is another point wherefrom the Germans hoped to concentrate gun fire on the rock fortifications of Gibraltar.

There were also some guns placed behind La Linea, the land stretch connecting the rock of Gibraltar with the Spanish

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mainland, but these guns were removed already during the Munich crisis, apparently because the Germans needed them somewhere else. I saw them remounted in a Spanish coastal city in the bay of Biscay in April 1939.

The existence of these heavy German guns in the afore-mentioned positions have changed considerably the status of the British rock fortress. In 1937 it looked anyhow that the value of Gibraltar as a fortress would be reduced to nil in face of the existence of these batteries of German origin. In those critical days, however, General Sir Edmund Ironside was appointed Commander-in-Chief and Governor of the rock. He immediately started to reorganise Gibraltar. At the time of his arrival in Gibraltar, in 1937, indeed, this important base was in reality reduced to a show piece for Cook's tourists. It was an antiquated, useless fortress. Ironside however immediately started the work of reorganisation. New forts and batteries were erected; old ones were modernised and made safe according to modern requirements; further galleries and tunnels were dug in the rock. The Germans certainly had no time and chance to refortify Punta Canales and Punta Almina as efficiently as Gibraltar was reconditioned under Ironside's management.

General Ironside also ordered the digging of ten huge air-raid shelters into the rocks, each shelter able to house 1500 people. By now probably 30,000 people, that is the entire population plus part of the garrison, can find protection in the air-raid shelters of the rock.

If war comes to Gibraltar, then, in case the Spanish permit the Germans to use the batteries erected at Punta Canales, Almina and Marroqui, Gibraltar could hardly be used as a naval base, at least for the first weeks of the war. The docks, dry-docks, the arsenal and some of the auxiliary buildings, necessary for the maintenance

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of a naval base, would ~~be~~ probably ^{be} soon destroyed by the concentrated fire of Punta Almina, Canales and Tarifa.

If the naval base would temporarily be reduced to impotence, Gibraltar, as a key fortress could continue to function fully, thanks to the efforts of Sir Edmund Ironside. She can block the 14 miles passage of the Straights, preventing ships of the axis passing through it. Gibraltar naturally will be exposed to heavy pounding from the German batteries, but she is now well prepared to take any "punishment".

Should France permit the Germans to assail Gibraltar, the function of this rock fortress will be, first, to prevent axis shipping to enter or quit the Mediterranean, second, ~~to~~ to hold out until either a successful British landing or other land manoeuvres create a situation which can silence the enemy batteries and re-establish Gibraltar as a naval base.

Nazi ambitions do not end at Gibraltar. This rock fortress in their hand would serve only as a further stepping stone in their wish to conquer Northern Africa. Already three decades ago Morocco was considered a "hot-spot," not only because the sun shines with great intensity, but because already several decades ago Morocco was a hotbed of international intrigues which brought Europe repeatedly to the verge of war.

Though Franco-German rivalry was ages old, in this century its revival was closely connected with Morocco. At the turn of the century Morocco was nominally ruled by the Sultan, but brigands and pirates were the real masters of the country. Travellers told tales of the immense riches stored in the soil of this strange land. Thus various European chancelleries, especially those of France and Germany, took a deep "interest" in the "future" of this country.

At the end of the nineteenth century Great Britain and France almost got entangled in a war ~~Mediterranean~~ because of the Fashoda incident when British-French colonial expansion interests were clashing with each other. After the Boer war England wished to improve her relations with France, and this wish was reciprocated by Delcassé, the French Foreign Minister. When in a secret agreement ~~London~~ France recognised legitimate British interests in Egypt, England could clandestinely promise to France Morocco as a French sphere of interest.

Germany, big, bullying, striving, imperialistic, felt grieved that the other Powers had left no place for her "under the sun." The turn of the century saw the completion of the British Empire by the conquest of Transvaal and Orange in South Africa, and France was equally rapidly increasing her African colonies and protectorates. Yet Germany, the second biggest country in Europe next to Russia, possessed only second and third rate colonies. The tales of the agricultural and mineral riches of Morocco reached the ears of Kaiser Wilhelm II, who now took an intense interest in this North Western African Sultanate.

German geographers and geologists, travelling as "bona fide" tourists (we can see, the fifth column tourist is by no way a new invention, even if it had been improved and multiplied) brought back from Morocco reports that this country was as rich in iron ore and minerals as Spain or Algiers, and that, in all likelihood, there was even plenty of oil to be found under the rugged surface of the scorched earth of this pivot country..

The German firm Mannesmann tried to obtain the concessions to exploit the iron ore and other mineral resources of Morocco. A greedy Sultan was willing to sell concessions to French and Germans alike, as long as it brought money for his gorgeous and expensive household in Fes. But there was already serious international rivalry.

While the Germans were interested in the subsoil, the French obtained a concession to construct the harbor of Casablanca.

An Arab rising which ended in the murder of seven French workmen in Casablanca, gave to France a good pretext for intervention. Jealous Germany, wishing to re-assert her rights, despatched already previously two cruisers, the Braun and the Panther to Agadir in Morocco. The war between Germany and France seemed inevitable. The big conflict, however, was avoided and one year after the Agadir incident French troops landed in Casablanca. In 1911 a Franco-German agreement was reached on Morocco, and this enabled France to establish her protectorate over this country.

Under the magnificent management of General (later Marshall) Louis Gustave Gonzalve Lyautey, Morocco progressed rapidly. But it did not remain a quiet country. France had to yield Northern Morocco-- a narrow stretch-- to indignant Spain, and Tangier, in the North Western corner of the country, hotly coveted by Italy, remained a ~~constant~~ constant apple of discord, until an international statute solved the problem. (During World War II. Spain took the opportunity and seized Tangier.)

In the early 1920s France and Spain fought bitterly against the rebels of the mountain chieftain Abd-el-Kerim. This Riffian war ended in 1924, with the "complete" pacification of Morocco. The friendship of Generalissimo Franco and Marshall Petain originates from these Riffian war days, when both were engaged in subduing the rebellious Arab tribes.

During the whole Spanish war French Morocco was on the "qui vive." Utmost vigilance was necessary. Rumours alleged that Italians and Germans intended to occupy Tangiers or Ceuta or both. Such an action of the axis Powers would have forced France to intervene.

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Before the fall of France in June 1940 the Northern African colonies of France represented a real power. Every school child knows about the power of the British Empire. But very few people realize that France was to become a mighty colonial ruler, should the war had taken another turn. The importance and strength of the French Empire was not sufficiently realized even in intelligent circles. Since 1918 French imperial power has grown rapidly. Together with France proper the French Empire, until this war, used to cover an immense territory with more than 100 million inhabitants. It had the advantage over the British Empire in that most of its portions were not widely separated. The bulk of her Empire was in one vast unit, interrupted only by the Mediterranean.

"People don't realize that this Empire is so huge that we can raise an army of 2,000,000 in Africa alone," Eric La Banne, resident-general of Tunis in 1939, remarked to this correspondent.

The remnant of this army is still existing. General Maxime Weygand is the commander-in-chief of all the African forces. In 1939, at the beginning of the war, I had the opportunity to meet General Nogues, who was the commander in Morocco, and General Blanc who commanded the Tunisian army. Now Weygand is supreme over both.

Weygand is called the mystery man. He is. If he would be a truly patriotic Frenchman, he could become the saviour of his country. By joining the Allies his army could play an important rôle because he could get equipment from overseas. But by allying himself with Petain and the appeasers his army does not count, lacking all the necessary equipment.

Weygand has the spirit of the French officer of the Dreyfus days. His party feelings and anti-Communist sentiment are stronger than his patriotism. Moreover, he has an old-standing allegiance to the arch-reactionary Henry Petain.

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General Maxime Weygand, now 78 years' old, was always a Royalist and a clerical. Clemenceau once said of him that he was "up to the ears in priests." Like Pétain he was anti-Communist, anti-British, believed in dictatorial methods and was viewing with sympathy the CSAR reactionary conspiracy, better known as the Cagoulard (hooded men) movement. When the Cagoulards attempted to overthrow the French Republic in their mighty demonstration of February 6th, 1934, the conspirators' list for the four-membered directorate to lead the country contained the names of Henry Pétain, Maxime Weygand, Jean Chiappe (who was recently killed on a flight to the Near East) and Jacques Doriot.

Weygand, if he would side with the Allies, could easily convert the African army into a formidable force. But as the army is today, it is unable to withstand a German attack. Nor does Weygand intend to offer resistance to such an attack.

For this reason it is very likely that within the coming few months Germany will occupy Morocco and North Africa, and then will spread her forces further down South West, to Dakar. Already a host of German "tourists" and agents are acting as pace-maker to this coming occupation.

One of Germany's chief reasons for the occupation of French Northern and Equatorial Africa is the same instinct which prompted Kaiser Wilhelm II, to provoke the various Moroccan crises at the beginning of the century, namely the belief of a rich booty in raw materials. The hopes of Mannesmann, who was trying to penetrate to Morocco because of the believed rich iron ore resources, were disappointed by subsequent geological research. Morocco did not prove as rich in iron ore as did the neighbouring Algiers. But she possesses ample other raw materials which Germany direly needs. The most important of these is ~~the~~ manganese, and important

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ferro-alloy in the manufacture of steel. Before the war she obtained manganese wherever she could get it, and much came from South Africa. Since the German-Russian agreement of August 23, 1939, manganese was one of the important materials that Germany obtained from Russia. Now the Russian manganese mines are barred to her, at least for the time being. Thus she requires the manganese of the Moroccan "forbidden zone" more than ever. Moreover, North Africa is rich in iron ore (Algiers), phosphates (Morocco), and last but not least, all kind of agricultural produce, from cereals to palm kernels, dates, bananas and other fruits. The bloodless conquest of North Africa would procure probably the most important loot which Germany obtained since the fall of France. But more than anything else, Hitler will make this move to the South West, because he is a vindictive man, and he wants to "punish" the person whom he fears and detests most, next to Churchill, President Franklin Delano Roosevelt. Thus the winter months of 1941-42 may see the "bloodless" conquest of French Africa as Germany's chief achievement. ~~THE CONQUEST.~~

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ILLINOIS INSTITUTE OF TECHNOLOGY
A CONSOLIDATION OF ARMOUR INSTITUTE OF TECHNOLOGY AND LEWIS INSTITUTE
CHICAGO

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Private address:
1205 Sherwin Avenue
Chicago, Ill.
July 8th, 1941.

DIVISION OF
ARMOUR COLLEGE OF ENGINEERING
LEWIS INSTITUTE OF ARTS AND SCIENCES

*W. L. ...
10:00 am
Jul 25, 1941*

Colonel William Donovan
2 Wall Street
New York City, N.Y.

Dear Colonel Donovan:

Ever since our last meeting I had the intention to send a copy of my book to you with a dedication. (You told me in Washington that you wanted me to autograph your copy.) For some reason I hesitated, fearing that you may consider it an intrusion, but there are two reasons which induce me to send a dedicated copy to you. First, the English edition of my book is out, and I thought you will be interested to see what neat job the English did in turning out such a book during wartime, and, second, because it will remind you that another prophesy of mine have come true.

You will probably remember that in my first book (Plot and Counterplot in Central Europe) I have foretold the coming German-Russian cooperation; in the "Revolution is on" I have predicted that the two dictators are bound to clash-- in a chapter entitled "When gangsters cooperate."

I think, after two-and-a-half weeks of fighting the Russians have done exceedingly well. (It shows what France and England had sacrificed in Munich!) After seventeen days of Blitzkrieg the Germans are only at the Stalin line which a year-and-a-half ago would have been the first line of Russian defence.

Second, the Nazi aim was to annihilate the Russian army by an encircling movement (as they usually do it). This did not succeed. I don't understand the pessimism expressed by some of the commentators. You will remember that in the last world war the Russians lost almost four million men as prisoners to the Germans and Austrians and yet they fought for three years! Even the German communiques claim only 300,000 prisoners, yet the Russian army today is much larger and better equipped than it was in 1914.

If the Russians will be able to extricate their forces from the German "embraces," then Germany will have the two front war which she wanted to avoid. Caucasian Joe Stalin (alias Joe Vissarionovitch Tchuhashvilli) ever since 1933 calculated with the possibility of a German attempt to snatch the Ukraine away from the Bolshheviks and accordingly he made provisions to prevent a depletion of Russia from raw materials and industrial goods in case of such a conquest.

ILLINOIS INSTITUTE OF TECHNOLOGY

A CONSOLIDATION OF ARMOUR INSTITUTE OF TECHNOLOGY AND LEWIS INSTITUTE

CHICAGO

Department of Social Science
3300 FEDERAL STREET

Divisions:
ARMOUR COLLEGE OF ENGINEERING
LEWIS INSTITUTE OF ARTS AND SCIENCES

2

In an article series of eighteen articles about the Russian situation I have described this situation in March 1939 in the Chicago Daily News, pointing out that for the fear of losing the Ukrainian mines and industries Stalin developed the industries in the Ural, such as the Magnitogorsk and Tagil iron and steel works, copper mines and smelting works at Krasno-Uralsk, the huge Berezniki chemical industries etc. Fearing the loss of the Ukrainian coal mines Stalin developed coal mines not only in the Ural, but also at the immense Kusnietz basin in Western Siberia, the richest coal deposit in the world! And because he took into calculation the loss, (that is the possible loss,) of the Baku oil fields, he developed new oil fields between the Volga river and the Ural mountains. Thus it is a ridiculous statement which some of the commentators have uttered recently namely that the loss of the Ukraine would mean the end of Russian resistance.

In those article series I have also pointed out how Stalin was slowly imbuing Russian patriotism into his people. Hitler's mistake was that he believed to fight against an ideology and that this will help him to bring about the disintegration of Bolshevik Russia. But the Russian soldier once more is fighting for "Holy Mother Russia,"-- and this mistake of Hitler may prove fatal to him. Let's hope so!

Very sincerely yours

M.W. Fodor
M.W. Fodor

16, 731
SECRET

Frillman, Capt. James H.
13 May 1944

TO: - Frillman, Paul W.

SUBJECT: Promotion

TO : The Adjutant General

ATTN : Officers Branch, Promotion Section
Executive Building
Washington 25, D. C.

1. Under the provisions of AR 605-12, as amended, it is recommended that the officer named below be promoted as indicated:

Captain Paul W. Frillman, 902643, AS

Date of rank: 1 May 1944

Grade recommended: Major

2. A position vacancy exists in accordance with approved table of allotment for this organization, and the filling of such vacancy by the promotion of this officer, together with all previous recommendations not acted upon, will not operate to exceed the number of position vacancies.

3. Captain Frillman occupies a position as Commanding Officer of all OSS personnel within the Third War Area, China Theater of Operations.

4. Captain Frillman has clearly demonstrated his fitness for the responsibilities and duties of the position and grade for which promotion is recommended since May, 1944, at which time, he assumed his present position. As Commanding Officer, OSS, Third War Area, China, Captain Frillman is responsible for the direction of all activities of this organization in an area covering approximately one thousand square miles. In this capacity he maintains liaison with all Chinese military agencies in the Third War Area and represents the United States Army and the Fourteenth Air Force for the purpose of obtaining Chinese intelligence. Captain Frillman has set up and is responsible for operating a radio reporting system. He is further charged with recruiting, selection, training and briefing Chinese intelligence teams for operations behind Japanese lines for transmitting intelligence to the main base for dissemination. Captain Frillman is in charge of the activities of the Secret Intelligence, Communications, Harass Operations, Special Operations, and Research and Analysis Branches of this organization, and is responsible for direction and coordination of these activities with the command of the various Chinese forces in that area. Captain Frillman is likewise responsible for furnishing intelligence regarding disposition of Japanese forces and shipping movements to the Fourteenth Air Force.

SECRET

201 - Frillman, Paul E.

SECRET

tactical units of the ground forces and to Naval forces in that area, based upon radio reports of forward intelligence teams, prisoner of war interrogation, and captured enemy documents. For periods of several months at a time, he operated behind Japanese lines on assignments, attendant with the utmost danger to his personal safety. The information transmitted was of great value to tactical forces and resulted in highly successful Naval operations in Chinese coastal waters.

5. Captain Frillman is now in the Washington headquarters of this organization for approximately three months for a period of leave and for instruction of personnel in secret intelligence methods employed by his unit in China. Upon completion of this duty, he will return to the theater and will continue to occupy his position as Commanding Officer, OSS, Third War Area, China Theater of Operations.

6. Since Captain Frillman's duty in this country is to be only for a brief period, his Officer's Qualification Card has been retained in the theater and, therefore, is not available as required by par. 7d, AR 605-12, as amended. However, the Strategic Services Officer, China Theater of Operations, has rated Captain Frillman "superior" for his duties as Commanding Officer, OSS, Third War Area, China.

7. Copy of commendation of subject officer by the Commanding General, Fourteenth Air Force, is inclosed.

8. There is no surplus officer available in this command in the grade for which promotion is recommended who can be assigned to fill this position vacancy.

9. The relative rank of this officer has been considered, and to the best of my knowledge he is the best-fitted officer available in this command for the grade and position for which promotion is recommended.

For and in the absence of the Director:

CHARLES S. CHESTON
Assistant Director

1. Encl:
Cy of Commendation

SECRET

Mrs. O'Donnell:

Fraenkel Ernst 15,767

The file (#15,757) Fraenkel, Ernst
from Dr. Langer to General Donovan, is
in General Donovan's book of quotations,
(at his request) in case you are ever
looking for it.

R.M.Wachs

14 December 1944

Memorandum for the Director

SECRET

27 March 1944

MEMORANDUM TO Y 2/c FRANCIS J. FRANKINA

SUBJECT: ORDERS

1. You are hereby authorized and directed to proceed to the destination indicated in your military orders, where you will report to the Strategic Services Officer for that Theatre of Operations. You are, thereafter, to act under the instructions of the Strategic Services Officer for such theatre.

William J. Donovan
Director, OSS

APPROVED:

Morton Bodfish - cny
Morton Bodfish
Deputy Chief, MO

APPROVED:

J. M. Scribner
J. M. Scribner
Deputy Director, SSO

Lt. Commander Andrew G. Carey, USNR
Lt. Commander Andrew G. Carey, USNR
Acting European Theatre Officer

SECRET

Handwritten signature/initials

SECRET

2 March 1944

MEMORANDUM TO Lt. Alvin G. Frodenburg

SUBJECT: Orders

1. You are hereby authorized and directed to proceed to the destination indicated in your military orders, where you will report to the Chief, Office of Strategic Services, for that Theatre of Operations. You are, thereafter, to act under the instructions of the Chief, Office of Strategic Services for such Theatre.

William J. Donovan
Director, OSS

APPROVED:

APPROVED:

William P. Davis, III
Lt. Colonel, FA
Chief, SO

J. M. Swihart
Deputy Director, SSO

Major Carl G. Hoffman
FA Theatre Officer

SECRET

Change Serial 1379
✓
1/10/44
2/10/44

SECRET

6 January 1944

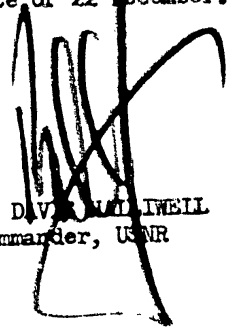
MEMORANDUM

TO: Colonel G. E. Buxton

FROM: R. Davis Halliwell

SUBJECT: Return of Frazee and Hemming

1. Recall of the subject officers is desired because of their physical condition, and the probability of further deterioration of this if their residence in the Far East is prolonged.
2. This action has been requested previously by me in cable to Scribner dated 24 November 1943, as a result of my conferences with Colonel Eifler on the subject.
3. Accordingly, I respectfully request your approval of the attached cable, specifically requesting the return of Hemming. Return of Frazee has been ordered under date of 22 December.



R. DAVIS HALLIWELL
Commander, USNR

SECRET

176 South Brookhurst Road
Fullerton, California
4 August 1945

Brig. General William J. Donovan
Office of Strategic Services
Washington, D. C.

Dear General Donovan:

I wish to thank you for your very kind letter of
20 July 1945, acknowledging my resignation from the Office of
Strategic Services. I left the organization with great regret
and only because I was asked to do so because of budgetary
reasons.

If the organization can again use my services for any
kind of work, no matter what or where it is, I shall be glad
to be called upon.

Sincerely,

Earl Fuller

Earl Fuller

✓

CONFIDENTIAL

23 April 1945

Major General John H. Hilldring, WDGS, CAD
 Room 3 B 929 Pentagon Building
 Washington 25, D. C.

Dear General Hilldring:

This Agency urgently needs the services of Captain Jeffrey H. Fuller, ASN 0800723, C.A.T. School, University of Chicago, Chicago, Illinois, for important duties with that part of our staff which is to be assigned to the U. S. Group Allied Control Commission in Berlin. His position would be that of senior field observer of Soviet occupation policies and practices in Germany. As occasion demanded, he would also act as OSS liaison officer with the Russian Army.

The position requires a fluent command of the Russian language and an intimate knowledge of the Russian outlook and thought processes. American officers capable of successfully carrying out this assignment are scarce and extremely difficult to find.

We believe that Captain Fuller is admirably qualified to fill the proposed position. He has a fluent command of the Russian language and an adequate facility in German and French. For a period of 22 months (November 1942 to September 1944) he had daily contact with the Russians in Iran where he served as Liaison Officer with the Russian Army and Aide-de-Camp to Major General Donald H. Connolly, Commanding General, Persian Gulf Command. He has also had considerable experience in conducting negotiations with Soviet officials.

In the proposed assignment, Captain Fuller will be of invaluable assistance not only to this Agency but also to CAD during the postwar occupation period in Germany. Being well informed on CAD requirements, he will

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Maj Gen John H. Hildring, WDGS, OAD
23 April 1945, contd.

be in a position to furnish it with information as to military government procedures and policies adopted by the Russians in their zone of occupation. In addition, his liaison with the Russians will be helpful to OAD in the handling of Russian "displaced persons" who are located in the United States zone.

For the above reasons, it will be sincerely appreciated if this Agency's request for Captain Fuller's transfer is favorably considered.

Sincerely,

CHARLES S. CHESTON
Acting Director

CONFIDENTIAL

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Lt. Pugliese

FROM : J. A. Morrison, USSR Division *jam*

SUBJECT: Capt. Fuller

DATE 23 April 1946

In reply to your telephoned request this morning regarding the possible advantage to CAD of having Capt. Fuller assigned to our staff in Berlin, I submit the following:

1. CAD presumably will wish to be informed as to military government procedures and policies adopted by the Russians in their zone of occupation. It will be one of the primary functions of our staff to secure intelligence on these subjects for the US Group ACC. It would obviously be of value to CAD to have the direct contact with our staff which the assignment to it of Capt. Fuller would provide. CAD representatives in Berlin would be able to submit requests informally to Capt. Fuller and thus assure much quicker service than otherwise would be the case. Per contra, being a CAD officer, Capt. Fuller presumably would be better informed as to CAD requirements and not only would himself be on the lookout constantly for the types of information desired by CAD, but would brief the other members of our staff to this end.

2. One of the major problems of CAD in the early phases of MG will be the handling of Russian DP's in the US zone. This will undoubtedly require fairly direct liaison with the Russian Group ACC in Berlin. Capt. Fuller, by reason of his long experience in dealing with Russians in Iran and his fluent command of the language, would be in a position to be of considerable help to CAD in this respect.

3. At Mr. Cheston's discretion, it could be pointed out to CAD that they would have, in effect, one of their own officers in a strategic position in Berlin.

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

As file

5 April 1945

To: Mr. Charles S. Cheston
Via: Lt. William Applebaum *WA*
From: G. T. Robinson *GTR*
Subject: Procurement of Captain J. E. Fuller,
Ensign J. G. McCargar,
Lt. Stanley Graze

I find it necessary to take advantage of your generous offer to assist the USSR Division in cases where we have encountered serious difficulty in the procurement of specially qualified personnel, and to request that every possible effort be made to secure the assignment to the Division of the following three officers:

1. Captain Jeffrey E. Fuller, AUS, presently assigned to the Civil Affairs Training School at the University of Chicago.

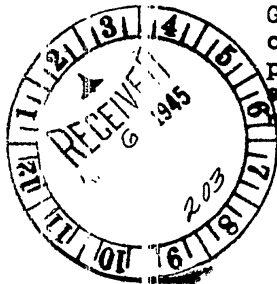
a. Special qualifications

- 1) Fluent reading, writing and speaking knowledge of Russian; *fair* adequate facility in German and French. *devis*
- 2) Twenty-two months of almost daily contact with Red Army officers in Iran as Liaison Officer and aide-de-camp to General Connolly.

*fair - has
straight view
of our work*

b. Position for which officer is needed

To serve on R & A staff assigned to the U. S. Group ACC in Berlin in the very important capacity of a senior field observer of Soviet occupation policies and practices in Germany. Would also assist OSS Liaison Officer with Red Army staff if needed.



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c. Difficulty in procurement

Captain Fuller reports that Lt. Col. Buell, an old friend from PGC days ~~and~~ who is Assistant Personnel Officer in the Civil Affairs Division, has stated flatly that a transfer of Captain Fuller from CAD to OSS would be refused. Hence, although a Form 802 (Request for Procurement of Military Personnel) was put in channels on 17 February 1945, it is anticipated that special action on a high echelon will be needed if we are to obtain this officer's assignment.

d. Suggestion

In view of the fact that Captain Fuller will complete a six months Japanese course at the University of Chicago on or about 5 May, it is anticipated that CAD will strongly resist his transfer to OSS. It is believed, however, that Captain Fuller's fluent command of Russian, his long experience in dealing with Red Army officers, the extreme shortage of officers so qualified, and the urgent necessity for such an officer in our Berlin setup can be presented as very strong arguments. It might also be pointed out that such command of the Japanese language as Captain Fuller will have obtained can not possibly qualify him as well for dealing with the Japanese in occupied areas, as he is already qualified by language command and experience for dealing with the Russians. The large number of Civil Affairs Handbooks which R & A has prepared for CAD might also be mentioned.

2. Ensign James G. McCargar, I-V(s), USNR.a. Special qualifications

- 1) This officer is a specialist in international relations and political science. His reports on USSR political conditions show evidence of sound judgment and a high degree of objectivity.
- 2) He has fluent reading and speaking command of Russian as a result of six years study and practice in using that language.

CONFIDENTIAL

SECRET

16, 007
Fultz, H.T.

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

26 September 1944

TO: Director, OSS
FROM: Acting Chief, SI
SUBJECT: #861 to Caserta - Fultz



Harry T. Fultz (a civilian, fifty-five years old, long a resident in Albania) came to OSS in March, 1943, reached Cairo in August, 1943, and proceeded to Bari in November, 1943.

He now serves as head of the Albanian Desk, Italian Section, SI, at Bari.

Mr. Cavendish Cannon, of the Department of State, has asked that Fultz be released to that Department. SI Branch informed Joyce of State's request, indicated approval, and stated that Cheston and Frennan concurred in this approval.

In answer to our #861 to Caserta, Joyce replied by #3254 from Caserta on September 21. This reply was not a clear answer to the question asked.

By cable dated September 22, (# not yet given) we cabled that #3254 was not clear and asked if Joyce definitely agrees to release Fultz to State.

one carbon only, for Mr. Cheston.

SECRET

Man
John E. O'Gara
Acting Chief, SI

Form 103 (Revised)

OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

DATE September 15, 1944

REC'D

9/15/44 1:12 P.M.

TO CASERTA

PRIORITY

FROM OFFICE OF STRATEGIC SERVICES

ROUTINE

DEFERRED

DISTRIBUTION

OUT 17500

(CONFIRMATION TO ORIGINATOR)

FOR INFORMATION

SI

DIRECTOR, SECRETARIAT, WAGNER,
BIBLOW, X-2, INFO.

U. S. GOVERNMENT PRINTING OFFICE 16-37848-1

TRANSMITTED IN CODE OR CIPHER

CONFIDENTIAL

#861. From Foster to Joyce, Bari for action; Maddox, Caserta, for information.

State has sought our approval for Fulton release to State Department. We believe this would afford him even wider scope for valuable service. Brennan willing and Cheston desires your concurrence. If you agree we will indicate our consent to release. Please advise immediately.

W. W. H.

CONFIDENTIAL

FOOD: 9/15/44 11:24 p.m.

JEO RCF:WT:IB HA:GR FFD

FILE COPY

INITIALS OF "RELEASING" OFFICER

IT IS FORBIDDEN TO COPY OR REPRODUCE THIS CABLE WITHOUT AUTHORIZATION FROM THE SECRETARIAT

OSS Form 69 (Revised)

OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

DATE 9/21/44

FROM CASERTA, ITALY

PRIORITY
ROUTINE
DEFERRED

TO OFFICE OF STRATEGIC SERVICES

IN 20670

DISTRIBUTION

(FOR INFORMATION)

(FOR ACTION)

FOSTER

DIRECTOR, SECRETARIAT, AGENCE, BUREAU, INFO, X-2

U. S. GOVERNMENT PRINTING OFFICE 16-37843 1

RECEIVED IN CODE OR CIPHER

SECRET

#3254. Joyce to Foster, Washington #113. Information; Maddox, Caserta #314.

Present plans are to send Fultz to Tirana as soon as possible to head the OSS unit. He will report economic, military and political intelligence which would especially interest the State Department, FTA, and UNRRA. OSS functions in Albania should decrease soon, and he will become increasingly useful to the State Department. Fultz accepts the offer of the State Department and the date of his release from OSS and transfer to the State Department will be decided upon later by Washington. Since UNRRA has requested Fultz's services again and again, and since Fultz has tentatively indicated that he would be willing to be associated with that organization, will you approach UNRRA in Washington in connection with this arrangement for his release from OSS to the State Department. I approve of this arrangement and so does Fultz, who has read this cable.

Fultz

SECRET

FILE COPY

TOR: 9/21/44 4:14 PM

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OFFICE OF STRATEGIC SERVICES

INTEROFFICE MEMO

100-3221-14038
1-14-44
1-14-44
DATE: 21 January 1944

TO: Colonel G. Edward Buxton

FROM: Major I. A. Tolstoy

SUBJECT: Notes on Miscellaneous Subjects That Might be of Use to Men Going into the Field. (Primarily for Far East).

1.

Since returning from the Far East I have been contacted by a number of individuals who are scheduled to go there and I have been asked various questions about that region. I hope that these notes will be of some help to them.

Recently, Major Devlin has prepared a very complete list of personal articles and equipment that should be taken by one going to that theater. I thoroughly endorse his list as being complete and practical. For that reason, in these notes I will make only a few additional suggestions in regard to such equipment. (The conditions in the theater may change from time to time and it might be advisable in such case for the theater executive's office to notify the home office as to availability of equipment in the field.)

Also since my return, I have been asked indirectly about what several women who are venturing into the field soon should take along with them. I regret I was not able to help them on it, but I would like to suggest that either the WAC, WAVES, or Red Cross be contacted on the matter. I am quite certain that they can advise the girls as to what to take along and what is available in the theater.

I. Supplies

The importance of having your equipment and supplies for your work ready upon your arrival in the theater cannot be over emphasized. The Chinese have lived for a long time on our verbal promises and it is extremely difficult to get cooperation from them unless you can show them the actual implements with which you are going to operate there. It is the only convincing point there and the psychological effect of it alone should not be under estimated.

II. Communications

Study and know your codes well. Do not rush through your code course and practice it well before leaving for the theater. If you will be away from headquarters doing field work, take your portable

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2-way radio sets in duplicates, at least, with all spare parts and repair equipment. Be sure that you have two men who can operate it and it is better if both of them can take care of repairs. Consider communications of the utmost importance and at no time should any part of it be neglected.

III. Health

Remember, if you get sick you are of no use to your work, and for that reason, safeguard your health. Don't feel that you are a sissy if you take certain simple precautions. Every group out in the field should have a trained medical man and if you are alone you should know more than first aid. It is important that you can diagnose the most prevalent diseases of that territory and know the symptoms of each. I will enumerate a few of them here, such as: malaria, dysentery, bacillary and amebic, pneumonia, small pox, typhus, typhoid, diphtheria, trachoma, pink eye, etc. You should know about these even for the simple reason of avoiding contact with infectious persons.

Dislocation and breaks of bones and wounds are also common in the field. There are many bad skin diseases and fungus infections. Guard against picking them up. Be sure that you don't have athlete's foot before starting out. It can be cured with x-rays nowadays very quickly and permanently. In the field in damp and wet weather, it could put you out of commission in a hurry.

Often times you can help natives who are in most cases looking up to you for medical treatment. By doing so, you will win their assistance and cooperation even better than with money or gifts.

Do not eat raw vegetables or fruit without first disinfecting them. Even then it isn't certain and only cooking will ensure their safety. Never drink unboiled water and if your servants boil it, be sure to check the job. In native restaurants drink only hot boiled water or tea. If you are eating in a native restaurant, ask for a bowl of boiling water and hold all your eating utensils in it for a little while. The Chinese do not object to it and it will give you some protection.

Learn as much as possible regarding poison insects, snakes and plants and have the natives point them out to you. Give a thought to your diet. Rest up well whenever you can and don't let yourself run down if you possibly can help it. Carry a small amount of vital medicines with you at all times and have a good medical manual. You may be lucky and nothing will happen to you, however, it may happen to you today. Take time and consult our Medical Dept. on all such points before leaving.

Do not scorn sheets (khaki). They will keep your bedding from getting soiled and damp. It is easier to wash a sheet than a blanket or sleeping bag.

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CONFIDENTIAL**IV. Training**

Knowledge that you have gained through your training can be applied in the field only if you know it well. The more subjects you know, of greater value you are in teaching your assistants and natives. Learn about the country to which you are going -- about its people, history, customs, etc. Keep up to date with events of that country and the world. It is good if you can do a little mapping and weather reporting. This will always be of use to our air forces and other military branches.

If you are a specialist in a certain field, be sure that you have your specialized equipment to work with. If you know anything at all about cars and transport animals, it might often come in handy.

V. Equipment (Suggestions for Personal Items)

Take a spare watch (waterproof) and a spare fountain pen if you can. Take a camera and film for your diversion, and sometimes it may prove useful in your work. A light alligator raincoat, a jacket or poncho, and a southwester are most useful in the hot, rainy climate. They weigh nothing and take them in duplicates, with also a few small waterproof bags. Your poncho can serve you as a ground sheet as well.

Take a little pocket atlas and a pocket dictionary. It is a good idea to carry a few photographs or postal cards with scenes of interesting phases of American life such as: a football game with the stadium in the background; skyscrapers; the Golden Gate bridge; an ocean liner; a modern train; the flying boat "Mars"; farms and crops; pure bred livestock; picture of the President; a picture of a pretty girl (which you probably already have), etc. They would be interesting to the natives and often help you to break the ice at first meetings. They would also give the natives greater respect and admiration for the United States. Do not boast about it, however. Find out from them what great things they have in their country.

A couple decks of washable cards, a small portable set of chess or checkers, any other small games you can think of, some small puzzles and jokes, would be worth taking along.

Take along several hundred blank calling cards so that your Chinese name can be printed on them out there. If you care to, you can have your English name, rank or title put on one side here before you leave, which is a good idea.

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VI. Attitude and Conduct

Try to retain an open-minded attitude toward what you see and hear. Do not draw quick conclusions on anything and stay out of a rut. Refrain from gossip and don't repeat unfavorable impressions around. It usually goes back to the natives and does harm to your and the organization's work. Be polite in your dealings with natives and never mistreat them in any way, or play rough, practical jokes, or indulge in hooliganism. I mention this because in the past these things have happened and caused considerable trouble and loss of prestige for the United States. Many of us forget that we are not tourists travelling on our own any more, and that we are working for Uncle Sam now and the natives look upon us as representative members of our country.

If you cannot hold your liquor, "ration it out" to yourself.

2.

The following are miscellaneous observations I feel require the attention of the administrative offices of OSS and a few points on which men going out in the field should be instructed.

I. Speculation

There have been occasions in the past where men in the service of our government have speculated in China. I understand, for that reason, the Chinese now inspect the baggage of the men before they go over the "hump". Anyone possessing a dozen watches or fountain pens, etc., will be suspected and if any speculation is conducted by any member of this organization, I think it will be a most shameful episode, as most of us have volunteered for this type of work. However, I do have to say this, that very often a small gift over there will help your work immensely and I believe that such practices are permissible by our headquarters. Gift articles are made available in many cases.

II. Finance

I am not going to go into the per diem question and living costs for members in the field, since I found that they are always adequate and the men are well taken care of financially. The question that I would like to bring up is the exchange of U.S. dollars into Chinese currency. The official rate of exchange established by the Chinese Government is absurd, namely 20 to 1, and lately, 30 to 1. That fact started black market exchange, which in the fall of 1943 was fluctuating between 80 and 100 to 1. Many members of different U.S. offices

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there have played the black market which naturally has offended the Chinese Government a great deal. They imposed certain restrictions that made black market exchange more difficult as time went on. The State Department employees, all the men in Captain Miles' group, and missionaries were not allowed to play the black market. With more men going into China and the possibility of their playing the market, the situation will become more acute and probably come to a head. I just wonder what the policy of our organization is in regard to it. I think our men going into that field should be instructed in accordance with that policy.

III. Contacts with People

I have observed that in Chungking, due primarily to lack of transportation, there is very little contact between Americans and Chinese outside of business. I feel that in our work broader and personal contacts will be often needed and some arrangements should be made to facilitate them. However, it must be kept in mind that if our men should conduct themselves in a disorderly manner in any such contacts, it will do more harm than good.

IV. Organization

I have also observed that due to the lack of certain coordination between many of our governmental agencies in China and lack of organization within themselves, the Chinese started to wonder if our famous American efficiency is only myth. Such conditions make us lose faith with the Chinese, which is a supreme factor in the Orient. So, regardless of how small a unit or individual's office may be, it should be organized and efficiently maintained at all times, not mentioning how important it is for the work itself.

V. Transportation

Last fall, through Captain Miles, I had sent in a short memorandum on a project of sending some rolling stock into China via Persia and Turk-Sib to Chinese Turkestan and from there on to China proper. Negotiations were between the Chinese, British and Russians, with us on the background as primary suppliers of the rolling stock. Since then we have found out that negotiations have failed and I do not know if anything more has been done or planned in regard to it. As time goes on, more and more rolling stock breaks down in China and it is getting to be quite difficult to obtain transportation from the Chinese. Very often the Chinese do not want our men to go to a certain place and they will use the shortage of vehicles as an excuse instead of a straight refusal. Especially in our work it is a very vital factor. For that reason, I wonder if it would not be advisable to see if we could send by the above-mentioned route a batch of vehicles for our work in China.

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CONFIDENTIAL**VI. Training**

Since my return I have been asked several times to talk to our students in our training camps. Unfortunately, I personally was able to give them very little of interest. However, they, the training office and the instructors feel that such talks are very important for morale of the fellows. We have in this organization some men with remarkable field experiences and I think it should be made a point to have them talk to the students.

VII. Movies

While in China I had an opportunity to see some of the work the Chinese are doing in motion picture production and was pleasantly surprised to find some very remarkable films made by them which I thought could be well shown in this country. The Chinese are extremely short in film and equipment and they begged me to try to assist them in obtaining some for them in this country. I do not know if our organization is in any way interested in that field but the friendship of the Chinese motion picture industry might be good to acquire for our work. I had an opportunity to see in some outlying towns of China, some old U.S. movies, most of which were simply terrible in the subjects themselves and in many cases gave the audience quite an adverse opinion of our country. Better selected films from this country should be shown in Chinese theaters.

VIII. Identification

Our American fliers in that theater are supplied with an identification tag. It is made from a heavy piece of silk with the Chinese flag on it and an inscription which reads: "There have come to China to aid in resistance, westerners (from America). The Army and the people are one unit (or one body) to protect and save." (Issued by "Central Executive Committee of Aviation". It also has a serial number on it, and an official chop (seal).

As I understand, it was issued to enable the natives to identify the American fliers as friends, in case they should have to bail out or make forced landings in the back country. Without this identification, the fliers might be taken for Japanese and killed.

It is possible in some instances that our men would be in the same circumstances and it might be a good idea for them to have identification tags also -- either the same or especially made for our men. This is merely a suggestion, but one which I think should be taken into consideration.

(COPY - 21 March 1944)

CONFIDENTIAL

The East Institute
1000 17th St. N.W.
Washington, D.C.
20036

COORDINATOR OF INFORMATION

SECRET

file

INTEROFFICE MEMO

FROM: J. R. Hayden

DATE: June 17, 1948

TO: Colonel G. Edward Buxton

SUBJECT: "Japan Plan" to be discussed by the Joint Intelligence Committee

1. Mr. Starr stated to me over the telephone this afternoon that he regarded from \$500,000 to \$1,000,000 as the minimum sum for which the operation which we are discussing with him can be effectively carried out. He believes, and I concur in the opinion, that with this expenditure a substantial amount of information of military value can be secured from Japan and Japanese occupied territories. Mr. Starr says that he would not attempt to set up a large insurance business in China with less than half a million dollars.

2. Mr. Starr and I are of the opinion that it would be highly advantageous for this plan to be discussed with General John C. Magruder at as early a date as his health will permit. General Magruder, as you know, has recently returned from Chungking where he was the Chief of the United States Military Mission to China. He is at present a patient in the Walter Reed Hospital.

3. In your discussion with the Joint Intelligence Committee the following points concerning Mr. Starr might be borne in mind:

(a) He and his associates are believed to have the confidence of the Generalissimo and the other important figures in the Chungking Government. For a period of five or six years his newspapers in Shanghai advocated the Chinese Nationalist cause when this course was a very dangerous one to pursue. Seven of the Chinese members of his staff were killed by terrorists during this period. The Chinese feel that his loyalty to them has been proven. I have this information from Dr. Hu Shih, the Chinese Ambassador in Washington, and from other sources.

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To: Colonel F. Edward Buxton

(b) Mr. Starr is regarded as perhaps the most successful, independent American who has carried on business activities in China during recent years. By his drive, courage, and ability to deal with the Chinese and to secure a remarkable loyalty from his business associates, he has developed large scale business interests in China without the backing of organization ~~and~~ capital, such as is available to the representatives of the British American Tobacco Company, National City Bank, New York, Standard Oil, and other enterprises of this sort.

(c) Mr. Starr thinks of his own organization merely as an operating nucleus. He expects to be able to enlist the aid of a large number of other foreigners with established business and missionary connections in China, both occupied and unoccupied.

SECRET
August 18, 1945

POST-WAR LEADERSHIP IN THE FAR EAST

The Contenders: Japan is now making what she considers her historical bid for leadership in East Asia. Wang Ch'ing-wei and Chiang Kai-shek both envisage Chinese leadership in this area -- the former through an alliance with Japan in which China would eventually become dominant and the latter through displacement of Japan. There is no reason to believe that the USSR has given up her ambitions to organize the "colonial" peoples of this area. The United States is opposing Japanese domination. If the lives and money we are expending in the Pacific for this purpose are not to be wasted, we should evaluate the contenders for leadership in East Asia and develop a concrete plan to bring about a political situation there favorable to us.

Japan: Japan's claim to leadership in Asia is based on the slogan "Asia for the Asiatics", which has a strong and widespread appeal, and on the fact that she is the only country in Asia (other than Russia) strong enough to oppose the West. Her claim is backed up by strong military forces, demonstrated administrative ability, both political and economic, an extensive and effective intelligence service, and indefatigable will power. Her chief weakness lies in the relatively small scale of the heavy industry under her control. This limits her military capacity and makes it impossible for her to offer the countries of East Asia the same immediate economic benefits in capital equipment and consumer's goods which those countries might perhaps obtain through reliance on the United States and Britain. Left alone, however, Japan could probably defend her present holdings against the USSR. Two decades of control of the territories she now occupies would probably suffice for the creation of a vastly stronger economic and political base. This is the quickest

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means by which East Asia can become a major independent factor in world politics comparable with the USSR, the United States, Germany or the British Empire. Brought about in this fashion, an East Asia unit would almost certainly be in rivalry with the USSR. Whether Japan wins or loses, however, her advocacy of a "New Order" and "Asia for the Asiatics" will have important psychological and political effects in Asia for many years to come.

China: The doctrine of "Asia for the Asiatics" also impregnates China. All her modern leaders including Chiang Kai-shek, Wang Ch'ing-wei and Sun Yat-sen, whom both the former call their teacher, have preached the expulsion of foreign special interests. High on Chungking's list of war aims are (1) the elimination of all western special privileges in China, (2) recovery of lost territories including Manchuria, Formosa, and Korea, but also Hongkong, Outer Mongolia, Tibet, and parts of Indo-China, Thailand, and Burma, and (3) Chinese political leadership in the rest of Eastern Asia from India and the Netherlands Indies to Japan.

Puppet China under Wang Ch'ing-wei has aims not far different. Wang, however, has accepted Japan's thesis that only by joining Japan's fight against the West can China win her freedom and an important role in a New Asia. Both free and Puppet China are opposed to Communism both because of class interest and because Communism represents foreign influence.

Communist China, on the other hand, while friendly to the USSR, is also strongly anti-foreign. The Chinese Communists prior to the truce of the last several years consistently denounced Chiang Kai-shek as the running dog of the imperialists.

Thus while almost all Chinese groups (including those under Japanese

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control) would welcome United States material and financial aid in post-war reconstruction, they want it on their own terms which mean no concomitant American control. The Chinese may be expected to demand a share in the determination of the future of Burma, Thailand, Indochina, Formosa and Korea and to continue to advocate freedom for India and other European controlled areas in Asia.

These ambitions are beyond China's present capacity. She lacks the economic, technical, military and administrative know-how and the industrial power to develop a strong Far Eastern empire. Nor is she likely to develop such abilities for fifty years except under Japanese, Russian or other outside leadership. She probably will be unable to recover Outer Mongolia from the USSR or retain control of Chinese Turkestan once the USSR is relieved of German pressure. As the Chungking regime and the Kuomintang are reactionary and corrupt, a United Nations victory might well be followed by civil wars in China which would extend the control of the Chinese Communists.

In any case, Chinese merchants, if given an opportunity, will play an ever increasing role in southeastern Asia and a free China demanding freedom for other orientals will be a political embarrassment to the British in India and to any other colonial administrations which may be re-established.

The U.S.S.R.: The USSR is temporarily busy in Europe but there is no good reason to assume that she has lost interest in the Far East. The USSR controls Outer Mongolia, is sure to re-establish influence in Chinese Turkestan which has better transportation connections with the USSR than with China proper, and has a distinct interest in the Chinese Communists in Shensi and Shansi. This stake in China will be extended

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if internal weakness after the war offers a favorable opportunity. Collapse of Japan will in all probability mean Soviet occupation of Korea, Manchuria, Inner Mongolia, and perhaps North China.

The USSR is at present far removed from Southeast Asia -- Burma, Thailand, Malaya, Indo-China, and the Netherlands Indies -- but is not without interest in those areas. The Communist program of emancipation for the colonial peoples of the world is on the shelf but ready for use when an occasion arises. This program is based on utilizing local leaders, on building up local economy, on recognizing local nationalism, and on making each area an integral part of the Soviet system. Because of these emphases it has a positive appeal to native leaders in colonial areas which no program of continuation of colonial status, no matter how benevolent, can have.

The United Nations: The United Nations as yet appear to have no post-war political policy for the Far East either singly or jointly other than vague United States commitments to restore Chinese rights, Dutch assertions that the Indies (but not necessarily the Indonesians) will have a greater political role and recent suggestions from India that Burma, Thailand, and Malaya should together form a Dominion. These suggestions will have less appeal to the peoples of Eastern and Southeastern Asia than the Japanese program has or the Soviet program might have.

Alternatives: The policy dilemma in the Far East is similar to that in Europe. Our major ally there, China, has greater potentialities than France but is no more likely to be a dominant power during the next few years. At least in the north we must choose between keeping our ally Japan strong and throwing the area open to Soviet domination. To the south we are more fortunate but only slightly so. If

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the former colonies are reconquered, we can hold them for a few years -- the USSR will be distant and China not yet strong. But the day when the white man could rule Asia by prestige plus a few guns and soldiers is gone forever. Japan's victories and her 100,000 white prisoners have seen to that, whatever Japan's ultimate fate may be. Planes will help but only temporarily. There are bound to be other contestants for leadership who also can provide modern weapons. Our goods and money for reconstruction will be welcome but such expenditures will be down the rat hole if unaccompanied by ideological leadership which can appeal to Asia's nationalists. Unless we can develop a political program which will win genuine support from the peoples of this area and which will develop their own powers of self-administration and self-defence while keeping them among our political associates, we shall lose leadership in this area within a few years to others not politically bankrupt.

Prepared for Quebec Conference of J. R. Ross - 3/43

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

12. 5. 41

For Colonel Donovan
from Mr. Hamilton

(Report delayed one
day in completion.)

G.A.

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December 4, 1941

CONFIDENTIAL

DEC 8 1941

8
Mr. Secretary

The Situation in the Far East
General Summary

No reply was received from the Japanese Government to the document which the Secretary handed to the Japanese representatives on November 26. On December 1, according to press reports, the Japanese Cabinet decided to continue the Washington conversations.

On November 29 the Japanese Premier in a public statement denounced the policies of the United States and Great Britain in the Orient. The President returned to Washington from Warm Springs on December 1.

On December 2 Mr. Welles, at the direction of the President, requested of the Japanese representatives information as to the purpose and intention of the Japanese Government in regard to the increase of Japanese troops in Indochina.

On December 3 the Secretary at his press conference explained various aspects of the American-Japanese conversations and various considerations relating thereto and to the presentation to the Japanese representatives on

November

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November 26 of a document setting forth the American position.

The White House on November 23 announced that American vessels on the Pacific would not be armed under existing circumstances.

The Tatuta Maru, passenger ship requisitioned by the Japanese Government, sailed from Yokohama December 2 for Los Angeles, Manzanillo and Balboa to repatriate Japanese. Japanese continued to be evacuated from the Dutch Indies and Thailand.

The Japanese Embassy informed the Department that the three American missionaries at Harbin arrested October 22 would be released December 5.

The withdrawal of American marines from Shanghai and of American river gunboats from China was completed, with the exception of the U. S. S. Wake, which will remain in Shanghai to maintain radio communications, and of the Tutuila, which will continue to remain at Chungking.

In a broadcast the Premier of Thailand urged the Thai people to be neutral but to fight if war should become inevitable. The American Legation at Bangkok suggested to American citizens in Thailand that they make plans for leaving Thailand in a sudden emergency. The Thai Government on

November

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November 27 concluded arrangements with Japan for the repayment by Japan in gold of credits already opened and to be opened for Japanese account in Thailand. A bill was introduced in the Congress to admit to West Point the son of the Thai Premier.

Japanese forces continued to arrive in Indochina and reached an estimated total of 90,000, and there was up to November 29 a heavy inward movement of Japanese military equipment and airplanes. There were also reportedly movements of Japanese forces in southern Indochina toward the Thailand border.

Considerable movements of Japanese troops down river from Hankow and from Tsingtao by sea, apparently southward bound, were reported, as well as a possible redistribution of Japanese troops in the Canton and Hong Kong area.

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One. American-Japanese conversations.

No reply to the document handed by the Secretary on November 20 to Ambassador Nomura and Mr. Kurusu was received from the Japanese Government during the period under review.

The Secretary held a meeting with the Japanese representatives, at their request, on December 1 in regard to which a spokesman of the Department stated that only subordinate matters were discussed. On December 2, according to press reports, the Japanese Cabinet decided to continue the conversations. At his press conference on December 3, in answer to an inquiry whether the document handed to the Japanese representatives was in reply to a communication previously given this Government, the Secretary stated, in part, that the conversations, as he had often said, were purely exploratory to ascertain whether a basis for negotiations could be reached; that he had indicated definitely to other governments interested in the Pacific area the nature of these exploratory conversations; that there was no secret about them if there should be reached a basis or something fundamental relating to a peaceful settlement in the Pacific area covering nearly half the earth; that the real basic issues were well known and were not new; that one related to a policy of government based on the doctrine of force as an instrument of policy and embodied
the twin

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the twin doctrines of conquest of the territory of others and the subjugation of the peoples thereof under a military despotism of the most arbitrary kind, examples of which exist in Europe under Hitler and in China; that the other view had to do with the basic doctrines of law, justice, morality and equality of treatment among nations and settlement of disputes by peaceful methods; that these doctrines were set forth in his statement of July 16, 1937; that the exploratory conversations revolved around one phase or another of those two opposing basic philosophies or principles of government and that we had not reached an advanced stage on these questions. Continuing, Mr. Hall said that the Japanese representatives had only presented in partial form during the exploratory talks a document on the subject, so that it was only natural and logical, after the months of discussion and increasing confusion growing out of the utterances and actions of other governments, that he should undertake to bring the whole situation up to date by himself handing the Japanese representatives a document which was comprehensive and basic.

Two. Reaction in Japan to delivery of document.

Although the document presented to the Japanese representatives on November 26 was generally regarded in Japan as 'a sort of ultimatum', the press treated the situation

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situation calmly and the Tokyo stock market, instead of slumping, immediately became firm in the expectation, according to foreign press reports, "that the realism and common sense of the Japanese people will triumph over pride and passion". On December 2, following news of the Cabinet's decision to continue the Washington conversations, the tempo of the market upturn quickened and a boom set in.

Three. Statement of Premier Tojo.

The Japanese Premier was reported in the press on November 29 to have stated, on the occasion of the anniversary of the joint "New Order in East Asia" of Japan-"Manchukuo" and the Hanking regime, that the United States and Great Britain were throwing the Asiatic peoples against each other and that Japan "must purge this sort of action with a vengeance". The President, vacationing at Warm Springs, Georgia, returned to Washington on the morning of December 1, reportedly because of the Far Eastern situation. The Japanese press and radio subsequently expressed surprise that General Tojo's address was interpreted in the American press as belligerent.

Four. The President's inquiry as to Japanese intentions.

On December 3, Mr. Welles, by direction of the President, requested the Japanese representatives to call in order to make certain inquiries of the Japanese Government through

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through them for the information of the President. In response to an inquiry at the President's press conference later in the day, in regard to the nature of the information requested of the Japanese Government, the President was reported to have said that since last April we had been discussing with the Japanese some method of arriving at an objective which is permanent peace in the whole area of the Pacific; that at times it had seemed that progress was being made; that during the whole period we had assumed that both Governments were in accord as to this objective and that there would be no act contrary to the desired end of peace and that we were, therefore, somewhat surprised when the Japanese Government sent troops into Indochina after brief negotiations with the Vichy Government; that the Vichy Government had let it be understood clearly that it had agreed to this number of troops principally because it was powerless to do anything else; and that the question was asked very politely that morning (December 2) as to what the purpose and intention of the Japanese Government was as to the future. The President reportedly added that he hoped to receive a reply in the very near future although naturally no time limit had been set.

Five. American ships on Pacific route not to be armed.
Announcement was made in the White House on November 23
that

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that American vessels on certain routes, including Pacific routes, would not be armed under existing circumstances.

Six. Repatriation of Residential and Japanese Nationals.

The *Takata Maru*, passenger vessel requisitioned by the Japanese Government, sailed from Yokohama on December 1 for Los Angeles and Balboa, chiefly to repatriate Japanese subjects in Panama. The Japanese Embassy informed the Department orally that the vessel would call at Manzanillo en route from Los Angeles to Balboa to repatriate some fifty Japanese in Mexico.

A Japanese steamship left Surabaya on November 29 for Formosa with 1800 Japanese residents of the Dutch Indies. This left some 800 Japanese in the Indies against about 7000 on July 1. Another Japanese vessel repatriated a part of the remaining Japanese community in Thailand, according to a press report from Bangkok.

Seven. Detention of American Missionaries in Manchuria.

On December 4 the Japanese Embassy informed the Department by telephone that Dr. and Mrs. Byron and the Reverend Mr. Hunt, American missionaries at Harbin who were arrested October 22 by the "Manchukuo" police on charges of teaching Korean converts disloyalty toward Japan and taken to Antung, would be released on December 5 and allowed to return to

Harbin

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Harbin prior to leaving the country.

Eight. Withdrawal of American contingents and personnel from China.

On November 27, the first contingent of the Fourth Marines left Shanghai on the U.S. *Essex* and on the following day the remaining contingents sailed by the U.S. *Franklin*. Following the departure of the Marines, the Shanghai Provisional Council assumed responsibility for the maintenance of law and order in the area known as Sector C in which the Marines had supplemented the police, while the municipal police took over similar responsibilities in Sector B from the Shanghai Volunteer Corps. Admiral Glassford, Commander of the Yangtze Patrol, and his staff sailed for Manila November 28 aboard the U.S.S. *Luzon*, accompanied by the U.S.S. *Osaka*. The U.S.S. *Osaka* arrived at Shanghai the same day from Hankow. The *Osaka* was partly decommissioned and will remain at Shanghai to maintain radio communications. The U.S.S. *Mindanao* left Hong Kong on December 4. The U.S.S. *Tatula* is still at Chungking.

Nine. Developments in Thailand.

In a radio broadcast on November 27 the Prime Minister of Thailand urged the people to be neutral but to prepare to fight if war proved inevitable. He stated that the United States

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States and Great Britain had promised not to attack Thailand and that the Japanese Ambassador had guaranteed that the Japanese troops in Indochina were not intended for an attack on Thailand.

On November 27 the American Legation at Bangkok confidentially suggested to American and Philippine citizens in Thailand that it would be advisable to make plans either for temporary sojourn in a nearby country in case of sudden emergency or for return to the United States.

On November 27 the Thai Minister of Finance and the Japanese Minister at Bangkok concluded an arrangement for the repayment by Japan in gold of two credits of ten million tiels each opened for Japanese account in Thailand August 2 and November 2 and of a further credit of ten million tiels which may be opened next February; for the shipment to the Thai Treasury of twenty-five million tiels of gold purchased by Thailand last August; and for the further sale to Thailand of gold in the same amount. The Minister of Finance insisted and the Japanese consented that the Thai Government might freely dispose of all the gold acquired in these transactions.

On December 2 a bill was introduced in Congress at the instance of the Department to authorize the admission to West Point of the son of the Prime Minister of Thailand.

The Department

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The Department also took measures for facilitating the supply to Thailand of certain quantities of aviation gasoline and lubricating oil.

The Thai Minister informed the Department on December 1 that full payment had been received from the United States Government of the award of \$615,415 (plus certain interest) to Thailand for sixteen planes ordered by the Thai Government and requisitioned by the American authorities at Manila.

Ten. Situation in French Indochina.

Japanese troop reinforcements in Indochina continued at a heavy rate in the Saigon area up to November 29, with troop arrivals in northern Indochina decreasing. It was estimated by reliable sources that Japanese forces in southern Indochina as of November 29 were as follows: Saigon area, 10,000; Cambodia, 55,000; Cochinchina, 14,000, apart from the Saigon area, 20,000; southern Annam, 5,000, making a total of 99,000. Observers at Saigon commented on the efficient appearance of recent reinforcements, who appeared to be well-trained and in possession of superior equipment. In the Hanoi area, an increase in materiel and equipment, including airplanes (which were estimated on December 1 to number approximately 450 in all Indochina), were reported. Considerable increased air activity was

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noted, and it was reported that four additional airfields had been either completed or are nearing completion, two on an island off the coast of Cambodia and two others at Tani, Cambodia. The Japanese were reported to be storing gasoline and munitions in special shelters at all air bases, at which anti-aircraft defenses are in the process of construction.

Military observers estimate that as of November 23 the following types and numbers of equipment and material ^{recently} and/or landed in Indochina: automobiles, 600; trucks and tractors, 3,400; motorcycles, 300; bicycles, 16,000 (est); tanks, 200; cannon, 300; machine guns, 2,000; sub-machine guns, 1,300; and horses, 2,100. This estimate was considered to be a conservative one and it was believed that the above-mentioned categories had increased since that date.

The Japanese forces were reported on December 1 to be actively moving their effectives in large numbers toward the Thai frontier.

On November 25 the local press at Saigon carried detailed accounts of the explosion, on November 23, which wrecked the American Consulate there. The Government General is said to have issued a denial of a Dong report to the effect that investigations had revealed that agents of the Chinese Government were responsible for the explosion. Local governmental officials

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officials stated in confidence, in expressing their regrets for the incident, that although the police were in possession of no concrete evidence as to the identity of the perpetrators of the act, they were convinced that Japanese agents were responsible.

On November 22 the Government General published a decree, dated November 19, by which there was made applicable in Indochina the French decree of November 2 prohibiting the hearing or reception of radio broadcasts from British stations and from all other stations, foreign or local, which were broadcasting "anti-national" propaganda. It was not believed in Saigon, however, that the decree would be strictly enforced.

The Japanese were reported by reliable sources to be actively attempting to consolidate their economic position and authority in Indochina. It was reported that they had requested further economic concessions or similar advances to provide for the cost of maintaining Japanese troops in Indochina. It was understood, from official sources, that conversations in regard to commercial exchanges between Indochina and Japan for the coming year are now being conducted at Vichy. In view of the apparent Japanese inability or unwillingness to supply Indochina with the full quotas stipulated in the 1941 agreement, it was understood that the

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the Government General has recommended that the quotas for 1942 be reduced. The Governor General was said to be attempting to resist Japanese economic pressure, and it was understood that he had recently refused to authorize the exportation of certain minerals to Japan as a result of Japanese failure to supply Indochina with needed chemicals. Official sources in Indochina were reported to be of the opinion that Japan will be even less able to supply Indochina with merchandise in 1942 than in 1941.

Eleven. Bombing of Burma Road.

Japanese airplanes, operating from bases in Indochina, were reported to have attacked the Burma Road on November 26 at a point west of Kunming and, according to the press, a Japanese spokesman stated that the air attacks against the road would continue when weather permitted.

Twelve. British and Dutch Defense Measures.

According to press reports of December 2 British and Netherlands military and naval forces in the Pacific area were reported to be on the "alert" and active defense measures were being taken in Australia and at Hong Kong. The Governor of Hong Kong announced preliminary plans looking towards the evacuation of large numbers of the Chinese refugee population. A state of emergency was reported to have been proclaimed throughout the Straits Settlements

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and the Federated Malay States, and British troop reinforcements were sent to the Burma border. The Netherlands Indian Army Air Force was ordered to full mobilization on December 1, and Dutch shipping services to Shanghai and Japan were reportedly suspended. A considerable British fleet, including battleships, reached Singapore, and waters near that port were reported to have been mined.

Thirteen. Japanese movements in China.

Japanese troop movements were reported at various localities in China. During the last ten days of November an average of three Japanese transports loaded with troops reportedly left Tsingtao daily, southward bound. An undetermined number of troops, together with motorized equipment including small boats suitable for landing operations, were reported to have gone down river from Hankow. Observers at Canton reported that during the three-day period ending December 1 approximately 4,000 Japanese troops arrived at that city from the West River area and other nearby places. On November 30 Japanese troops and equipment were reported to be moving eastward from Canton toward Whampoa, and possibly Haichow, with pack animals, and approximately 20 tanks, accompanied by trucks carrying gasoline. It was felt by observers that this movement, when considered in the light of recent road-building developments in the general area between Canton

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and the Hong Kong border, might indicate a redistribution of Japanese troops in anticipation of possible hostilities. Defense fortifications were understood to be actively under construction at Canton, particularly along the northern and eastern sides of the city, and anti-aircraft defenses were being erected east of the air field.

Competent observers in Dairen reported considerable activity there in connection with the repair and reinforcement of private and public air-raid shelters, and the construction of large underground shelters in the center of the city.

FM:Langdon;Tanney;ALM

FAR EAST
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Names of our scholars engaged in work of
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The above information telephoned to William Hard
12/6/41 10:45 A.M.