INTER-ALLIED DECLARATION AGAINST ACTS OF DISPOSSESSION COMMITTED IN TERRITORIES UNDER ENEMY OCCUPATION OR CONTROL;[1] ESTABLISHMENT OF INTER-ALLIED SUB-COMMITTEE ON ACTS OF DISPOSSESSION

740.00113 European War 1939/592 : Telegram

The Secretary of State to the Chargé in the United Kingdom (Matthews)

WASHINGTON, December 31, 1942—5 p. m.

6679. Your 7346, December 24, 1942.[2] We do not believe that it is desirable to distinguish between the American republics as proposed by the British. We feel that the American republics which have broken off political and economic relations with the Axis should be treated on the same footing as those in class 1 and should be invited to associate themselves with the declaration. In the case of Chile and Argentina, we see no harm in extending a similar invitation to them and think that there are certain definite advantages. Moreover, although this reason need not be mentioned to the British, you will appreciate the political desirability from our viewpoint of treating the hemisphere as a unit.

It occurs to us that it might be preferable for this Government to communicate the declaration to the other American republics, although we appreciate that a change in plans might not be feasible at this late date.

We assume that you will eventually notify us of the exact designation of each government in the declaration (last paragraph of your 6797, December 1[3]). HULL

740.00113 European War 1939/612 : Telegram

The Chargé in the United Kingdom (Matthews) to the Secretary of State

LONDON, January 2, 1943—8 p. m.
[Received January 2—8 p. m.]

62. Department's 6679, December 31, 5 p. m., came just after the Foreign Office had sent out a communication setting the time for the

[1] For previous correspondence, see *Foreign Relations*, 1942, vol. I, pp. 72 ff.
[2] *Ibid.*, p. 87.
[3] *Ibid.*, p. 81.

release of the declaration to the public Tuesday, January 5 at 12 noon local London time. It was difficult to change the procedure in the short time available but after informal talks with the Foreign Office, substantial changes have been made.

1. The Foreign Office agrees to making a distinction between "technical" neutrals who have broken off relations with the Axis and neutrals who are neutrals in fact as well as in name. They will telegraph tonight to British representatives in Asunción, Bogotá, Caracas, La Paz, Lima, Montevideo and Quito asking that the action to be taken in regard to the governments concerned should be brought in line as far as possible with that to be taken in the case of the Latin American Governments who are at war. The British representatives in these capitals will be instructed (*a*) to make their communication on January 4 instead of January 5; (*b*) [possible omission] make it difficult for any government not actually in a state of war to associate itself directly with it; they hope that the governments to which they are accredited will be able to make public statements condemning acts of dispossession perpetrated by the Axis in territories occupied by it or under its control, and in addition will declare its intention not to recognize such transfers of property; and (*c*) to take every precaution against premature disclosure of the declaration, and to request the governments concerned to treat the matter as confidential until the time of public release.

2. The Foreign Office does not favor taking the same line with the Argentine and Chilean Governments as with the Governments which have broken off relations with the enemy. They feel that, at least as regards the Argentine Government, to do so might draw a rebuff which might hinder attempts to make the declaration known fully in Argentina. They believe that they can explain later to the satisfaction of other parties to the declaration the distinction now to be drawn between the method of communication of the declaration used in the case of neutrals which have severed relations with the Axis and that used in the case of neutrals which are neutrals in fact as well as in name. But they believe that they would be criticised by other parties to the declaration if without consulting all parties they adopted a special approach to particular neutrals which had not broken with the enemy. They think, therefore, it would be better to allow the communication by the British Ambassadors in Argentina and Chile to be made on the morning of January 5, which is the time set for communicating the declaration to other neutrals which are neutrals in fact as well as name, and to make the communication on the lines indicated under heading (2) in Embassy's 7346, December 24.[4]

[4] *Foreign Relations*, 1942, vol. I, p. 87.

The Foreign Office, however, considers that this would not preclude the United States Government from separately giving its own opinion to the Argentine and Chilean Governments.

3. Regarding the suggestion in the second paragraph of Department's 6679, December 31, the general procedure that Britain as the coordinating power should make the communication on behalf of the powers concerned to United Nations other than those making the declaration was indicated in section III of Embassy's 6797, December 1[5] and as no comment was received from the Department, the Foreign Office assumed that this arrangement met with the Department's approval. At this late date it would be difficult to put the suggestion fully into effect but the Foreign Office will send tonight a further instruction to British representatives in Latin American countries that they should communicate the declaration to the governments concerned jointly with their United States colleagues if the latter in his own judgment or following instructions from the Department should express a preference for this procedure.

The Foreign Office says that the arrangements for British representatives to communicate the declaration were only intended as a matter of convenience and wishes to make it clear that the action to be taken by British representatives as the agents of the other parties does not impair the rights of other parties to make individual communications to particular governments if they so desire.

4. The exact designation of each Government was received yesterday from the Foreign Office as follows: The Union of South Africa, the United States of America, Australia, Belgium, Canada, China, the Czechoslovak Republic, the United Kingdom of Great Britain and Northern Ireland, Greece, India, Luxemburg, the Netherlands, New Zealand, Norway, Poland, the Union of Soviet Socialist Republics, Yugoslavia and the French National Committee.

6. [*5.*] We understand that the Foreign Office will shortly make a communication to the parties concerned regarding the formation of the Committee of Experts[6] referred to in section II of Embassy's 6797, December 1. This communication will deal with a number of comments on the subject which have been received from some of the Allied Governments.

MATTHEWS

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[5] *Foreign Relations*, 1942, vol. I, p. 81.

[6] No such communication found in Department files. See telegram No. 550, January 21, from the Chargé in the United Kingdom, with respect to the establishment of the subcommittee of experts, p. 445.

740.00113 European War 1939/613 : Telegram

The Chargé in the United Kingdom (Matthews) to the Secretary of State

LONDON, January 3, 1943—7 p. m.
[Received 9:22 p. m.]

74. Referring to the Embassy's telegram 6797, December 1, 8 p. m.[7] and 62, January 2, 8 p. m.

1. The following changes have been made in the interpretive note transmitted in section IV of Embassy's 6797, December 1.

(*a*) The title of the interpretive note is as follows:
"Note on the Meaning, Scope and Application of the Inter-Allied Declaration Against Acts of Dispossession Committed in Territories Under Enemy Occupation or Control."

(*b*) In the first sentence of paragraph 2 of the note the words "of all parties" are substituted for the words "of the participating governments".

(*c*) In the first sentence of paragraph 3 the words "of the participating governments and of the French National Committee" are substituted for the words "of the governments concerned".

(*d*) The last sentence of paragraph 3 has been reworded, without affecting the meaning, as follows: "The declaration makes it clear that it applies to transfer and dealings affected in territory under the indirect control of the enemy (such as the former 'unoccupied zone' in France) just as much as it applies to such transactions in territory which is under his direct physical control."

(*e*) In the first sentence of paragraph 4 the words "the parties" are substituted for the words "the participating governments".

(*f*) The second sentence of paragraph 5 as communicated in section IV of Embassy's 6797 of December 1, should be replaced by the following: "The declaration marks, however, the solidarity in this important matter of all the participating governments and of the French National Committee and this means that they are mutually pledged to assist one another as may be required, and, in conformity with the principles of equity, to examine and if necessary to implement the invalidation of transfers or dealings with property, rights et cetera which may extend across national frontiers and require action by two or more governments".

(*g*) In the first sentence of paragraph 6 the words "the parties" are substituted for the words "the participating governments". At the opening of the second sentence of paragraph 6 the words "the parties" are substituted for the words "the governments". In the fourth sentence of paragraph 6 the words "by the governments making the declaration and the French National Committee" are substituted for the words "by the governments making the declaration".

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[7] *Foreign Relations*, 1942, vol. I, p. 81.

2. When the Foreign Office makes the declaration public at 12 noon, local London time, January 5, it will make the following introductory statement:

"His Majesty's Government in the United Kingdom have today joined with 16 other Governments of the United Nations, and with the French National Committee, in making a formal declaration of their determination to combat and defeat the plundering by the enemy powers of the territories which have been overrun or brought under enemy control. The systematic spoliation of occupied or controlled territory has followed immediately upon each fresh aggression. This has taken every sort of form, from open looting to the most cunningly camouflaged financial penetration, and it has extended to every sort of property—from works of art to stocks of commodities, from bullion and bank notes to stocks and shares in business and financial undertakings. But the object is always the same—to seize everything of value that can be put to the aggressors' profit and then to bring the whole economy of the subjugated countries under control so that they must slave to enrich and strengthen their oppressors.

It has always been foreseen that when the tide of battle began to turn against the Axis, the campaign of plunder would be even further extended and accelerated, and that every effort would be made to stow away the stolen property in neutral countries and to persuade neutral citizens to act as fences or cloaks on behalf of the thieves.

There is evidence that this is now happening, under the pressure of events in Russia and North Africa, and that the ruthless and complete methods of plunder begun in Central Europe are now being extended on a vast and ever increasing scale in the occupied territories of Western Europe.

His Majesty's Government agree with the Allied Governments and the French National Committee that it is important to leave no doubt whatsoever of their resolution not to accept or tolerate the misdeeds of their enemies in the field of property, however these may be cloaked, just as they have recently emphasized their determination to exact retribution from war criminals for their outrages against persons in the occupied territories. Accordingly, they have made the following joint declaration, and issued the appended explanatory memorandum on its meaning, scope and application:"

MATTHEWS

740.00113 European War 1939/688a

Inter-Allied Declaration Against Acts of Dispossession Committed in Territories Under Enemy Occupation or Control[8]

The Union of South Africa, the United States of America, Australia, Belgium, Canada, China, the Czechoslovak Republic, the

[8] Copy transmitted to the President of the Commonwealth of the Philippines (Quezon) by the Secretary of State in his letter of January 12, 1943 (not printed). The text of the declaration was released to the press by the Department on January 5, 1943; presented by the British Secretary of State for Foreign Affairs to Parliament and printed (with covering statement and explanatory memorandum) as British Cmd. 6418, Misc. No. 1 (1943).

United Kingdom of Great Britain and Northern Ireland, the Union of Soviet Socialist Republics, Greece, India, Luxemburg, the Netherlands, New Zealand, Norway, Poland, Yugoslavia, and the French National Committee:

Hereby issue a formal warning to all concerned, and in particular to persons in neutral countries, that they intend to do their utmost to defeat the methods of dispossession practiced by the governments with which they are at war against the countries and peoples who have been so wantonly assaulted and despoiled.

Accordingly the governments making this declaration and the French National Committee reserve all their rights to declare invalid any transfers of, or dealings with, property, rights and interests of any description whatsoever which are, or have been, situated in the territories which have come under the occupation or control, direct or indirect, of the governments with which they are at war or which belong or have belonged, to persons, including juridical persons, resident in such territories. This warning applies whether such transfers or dealings have taken the form of open looting or plunder, or of transactions apparently legal in form, even when they purport to be voluntarily effected.

The governments making this declaration and the French National Committee solemnly record their solidarity in this matter.

740.00113 European War 1939/612 : Telegram

The Secretary of State to the Chargé in the United Kingdom (Matthews)

WASHINGTON, January 7, 1943—7 p. m.

155. Your 62, January 2.

1. Our missions in the American republics, other than Argentina and Chile, were instructed by circular telegram of January 4 [9] to express to the governments to which they are accredited the earnest hope of this Government that they would associate themselves in some form with the declaration and that they will indicate publicly their refusal to recognize the looting by the Axis of territories which have come under its domination. Our missions in Santiago and Buenos Aires were instructed,[10] unless they deemed it inappropriate, to express to the Argentine and Chilean governments the hope of this government that they would find it possible to issue some public statement indicating their sympathy with the declaration and the fact that they

[9] Not printed.
[10] Instructions not printed.

do not condone the Axis looting of occupied countries. You will be advised in regard to the reaction of the Argentinean and Chilean governments.

2. In the future, whenever possible, we would like to be consulted about the time of day when releases of considerable interest are to be made. In the present case, the hour chosen made it impossible for us to have the release appear in the morning papers.

HULL

740.00113 European War 1939/652 : Telegram

The Chargé in the United Kingdom (Matthews) to the Secretary of State

LONDON, January 9, 1943—midnight.
[Received January 10—1:25 a. m.]

241. Department's 155, January 7, 7 p. m., paragraph 2. We shall endeavor to arrange in future for consultation with the Department about the time of day when release[s] of considerable interest are to be made. In the case of the declaration on property transfers it was indicated in section 3 of Embassy's 6797 of December 1 [11] that the declaration would probably be made at midday. As no comment was received it was assumed that the Department had no objection to this arrangement.

MATTHEWS

740.00113 European War 1939/815 : Telegram

The Chargé in the United Kingdom (Matthews) to the Secretary of State

LONDON, January 21, 1943.
[Received January 21—10:30 p. m.]

550. Embassy's 7108, December 15, and 6796 [*6797*], December 1, section 2, and Department's 6286, December 11.[12] At a meeting at the Foreign Office on January 13, which was attended by representatives of the Allied Governments in London, the French National Committee, Britain, Australia, China, U.S.S.R., and an observer from this Embassy, arrangements were made for the establishment of the sub-committee of experts referred to in the telegrams cited above. Its title is "The Inter-Allied Sub-Committee on Acts of Dispossession." It was decided:

(1) That the sub-committee should be composed of one representative of each of the parties attending the meeting. Canada, New

[11] *Foreign Relations*, 1942, vol. I, p. 81.
[12] *Ibid.*, pp. 87, 81, and 86, respectively.

Zealand, South Africa, and India do not desire representation on the sub-committee.

(2) That any other government of the United Nations should be at liberty to send a representative to a meeting of the sub-committee on prior notification.

(3) That each Government represented on the sub-committee should prepare for the sub-committee a statement of its existing national legislation under which transfers and dealings of the kind referred to in the declaration would be or could be invalidated.

(4) That each Government should prepare for the sub-committee a statement on the methods of dispossession known to have been practiced in its territories. This statement is to follow a draft list of headings which will be sent by air pouch.[13]

The first meeting of the sub-committee will take place on February 1st and in accordance with the arrangement indicated in Department's 6286, December 11, and Embassy's 7108, December 15, Spiegel[14] will attend it. Other decisions of less immediate importance will be found in the minutes of the meeting which will be despatched by air pouch.[15] The Department will observe that the paragraph numbered (3) above requires action.[16]

MATTHEWS

740.00113 European War 1939/612 : Airgram

The Secretary of State to the Chargé in the United Kingdom (Matthews)

WASHINGTON, January 27, 1943—7 : 20 p. m.

A–386. Reference Department's telegram No. 155, January 7, 1943, concerning the association of the American republics with the declaration on transfers of property in occupied territory.

Each of the American republics with the exception of Chile has announced its adherence to or association with the declaration in one form or another. In most cases the declaration was fully accepted; in a few instances there were implicit or express reservations. State-

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[13] Not printed; it was transmitted to the Department by the Chargé in his despatch No. 7860, February 23; received March 10.

[14] H. R. Spiegel, American representative on the sub-committee.

[15] Minutes of meeting not printed; they were transmitted to the Department by the Chargé in his despatch No. 7860, February 23.

[16] The Department's instructions No. 2719 of May 18 and No. 2766 of June 1, 1943 (not printed), transmitted copies of a statement on existing national legislation of the United States under which transfers and dealings of the type referred to in the declaration might be invalidated (740.00113 European War 1939/855, 887); full text of the United States memorandum is contained in Appendix A of Interim Report of the Sub-Committee on Acts of Dispossession transmitted to the Department by the Ambassador in the United Kingdom in his despatch No. 9758 of June 24, 1943 (not printed); for a summary of the U.S. statement, see p. 449.

ments issued by each of the countries in connection with their action will be forwarded to you under separate cover.[17]

In Argentina, Foreign Office replied by submitting a note to the British Embassy and subsequently informing the press that the Argentine note adhered to the United Nations protest "On the behalf of the principles of order and respect for International Law which have been invariable rules of our conduct with others". The Argentine Government did not publish the terms of its note but stated that this may be done by the British Government. The British have made the contents of the note available to the United States Mission which has informed us that the pertinent paragraph of the note reads in translation as follows:

"In taking note of this declaration the Argentine Government considers that, when the moment for a decision arrives, it will then be the time for an application in a similar sense of the rules that inspire the political and juridical tradition of the republic, within the guarantees and procedures provided for in the institutional regime of the country for the protection of law and liberty in its own territory."

No report has been received concerning Chile's action in regard to the declaration but the Department will advise you as soon as a statement is received.[18]

HULL

740.00113 European War 1939/613 : Telegram

The Secretary of State to the Chargé in the United Kingdom (Matthews)

WASHINGTON, February 8, 1943—9 p. m.

860. Your 74, January 3.

1. The Department had not understood from your previous telegrams that it was intended to make public the interpretative note as an agreed interpretation of the parties to the declaration. We had understood that it would be used merely for guidance in handling publicity on the declaration. The publication of the note in this form and the changes indicated in your reference telegram, particularly the change described in paragraph (*f*), seemed to the Department to have political implications inconsistent with our policy. It was not possible for the matter to be brought to my attention until late in the afternoon of January 4, at which time it seemed unlikely that any

[17] Instruction No. 2446 of February 26, to the Chargé in the United Kingdom, not printed.

[18] The Department's airgram No. A-406, February 4, 1943, advised the Chargé in the United Kingdom of the receipt of a note from the Chilean Government expressing approval of the declaration (740.00113 European War 1939/723).

change could be made. It was accordingly decided that only the text of the declaration should be released here and that no publication should be made by this Government of the note.

Please advise the appropriate official of the Foreign Office in the sense of the foregoing, explaining that this Government naturally does not consider itself bound by the interpretative note. While we assume the language referred to was the result merely of inadvertence, we wish to be sure that there be no misunderstanding as to this Government's position.

HULL

740.00113 European War 1939/784 : Telegram

The Chargé in the United Kingdom (Matthews) to the Secretary of State

LONDON, March 12, 1943—2 p. m.
[Received March 12—1 p. m.]

1760. Department's 860, February 8, 9 p. m. The appropriate official of the Foreign Office (Ward)[19] has been informed of the substance of the above telegram and it was made clear that the United States Government does not consider itself bound by the explanatory memorandum for the guidance of press and radio on the declaration on property transfers in enemy-dominated countries.

In informal conversation he explained that the change in paragraph 5 of the explanatory memorandum on the declaration on transfers of property in enemy-dominated territories was made to avoid giving the impression that the French National Committee were recognized as a government. He emphasized that the operative instrument in relation to commitments for the parties concerned is the declaration itself and not the explanatory memorandum. The status of the latter is only that of a communiqué to the press and public.

The Foreign Office official said that the reference in paragraph 5 of the explanatory memorandum to the parties being "mutually pledged to assist one another as may be required" arose out of the last paragraph of the declaration itself. The origin of that paragraph was explained in section (1) of Embassy's 5422, September 29,[20] in the paragraph immediately following the text of the declaration.

While expressing regret that anything in the explanatory memorandum may have created embarrassment for the Department, the Foreign Office official expressed confidence that difficulties would not be likely to arise in practice, since it may be hoped that when the

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[19] John G. Ward, Acting First Secretary, British Foreign Office.
[20] *Foreign Relations*, 1942, vol. I, p. 77.

time comes after victory to implement the declaration there will be a recognized government of France.

MATTHEWS

740.00113 European War 1939/1006

Inter-Allied Declaration Against Acts of Dispossession Committed in Territories Under Enemy Occupation or Control: Interim Report of Inter-Allied Sub-Committee of Experts [21]

[Extract]

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PART II.—SUMMARY OF THE LEGISLATION OF EACH COUNTRY

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THE UNITED STATES OF AMERICA

1. By Section 5(*b*) of its Trading with the Enemy Act as amended [22]—

Power is conferred on the President of the United States during time of war or national emergency to investigate, regulate, direct and compel, nullify, void, prevent or prohibit any transfer or dealing which involves any property in which any foreign country or national thereof has an interest; he may exercise these powers with respect to any transfer or dealing wherever effected, which involves any property or any person subject to the jurisdiction of the United States. The President is empowered to vest any property or interest of any foreign national or country. Authority is conferred upon the President to define all of the terms employed in said section.

These powers of the President have been made available by delegation to the Secretary of the Treasury and the Alien Property Custodian.

2. General Ruling No. 12, issued by the United States Treasury Department [23] under the authority of the said Act, provides that, except as licensed by the Treasury—

Any transfer, effected after freezing control was extended to a country, of property in a "blocked account" of that country or of any national thereof, is null and void.

The word "transfer" includes, with certain exceptions, any acts or transactions effected outside as well as in the United States which may convey or surrender any right or power with respect to prop-

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[21] Copy transmitted to the Department by the Ambassador in the United Kingdom in his despatch No. 10401, July 29; received August 5.

[22] Act of October 6, 1917 (40 Stat. 415) as amended by Title III of the First War Powers Act, 1941; 55 Stat. 838.

[23] Treasury Department, *Documents Pertaining to Foreign Funds Control*, March 30, 1944, p. 36.

erty. The expression "property" in General Ruling No. 12 includes, in general, money, bullion, securities, financial instruments, book debts and written contracts, but not as a rule real property or chattels. The exclusion in general of real property or chattels does not necessarily mean that the United States Government considers such transfers to be valid; such exclusion merely means that no formal statement with respect to the invalidity of such transfer has been issued.

3. Pursuant to powers contained in the said Act, freezing control is applied mainly under Executive Order 8389 as amended [24] and regulations issued thereunder. The freezing orders, in general, prohibit the following transactions if they involve any "blocked" country or national thereof or any property in which any "blocked" country or national thereof has an interest or any payment or transfer expressed in terms of the currency of such country: all transfers of credit, or payments involving banking institutions within the United States; all foreign exchange transactions; all dealings in securities (including securities physically situated outside the United States); all exports from the United States or earmarking within the United States of gold or silver, coin, bullion, or currency. The term "banking institution" is so broadly defined as to include anyone holding a credit for another as a direct or incidental part of his business.

Any transaction prohibited by the freezing orders may be licensed by the Treasury.

The following are "blocked" countries:—

Norway, Denmark, The Netherlands, Belgium, Luxemburg, France (including Monaco), Latvia, Estonia, Lithuania, Roumania, Bulgaria, Hungary, Yugoslavia, Greece, Albania, Andorra, Austria, China, Czechoslovakia, Danzig, Finland, Germany, Hong Kong, Italy, Japan, Liechtenstein, Poland, Portugal, San Marino, Spain, Sweden, Switzerland, Thailand, U.S.S.R.,
and any area which has been under the occupation or control of any of the foregoing countries at any time after such occupying or controlling country has been blocked.

The U.S.S.R. and the four European neutral countries (Portugal, Spain, Sweden and Switzerland) have each been granted a general licence under the freezing orders. The general licence granted to the U.S.S.R. effectively unblocks that country and its nationals, but does not validate any acts effected under Axis occupation.

Persons whose names are on the Proclaimed List of Certain Blocked Nationals are treated as enemy nationals for the purposes of the freezing orders for such time as their names appear on such List.

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[24] For text of Executive Order No. 8389 (3 CFR 128 (Supp. 1940)) as amended by Executive Order No. 8785 (3 CFR 225 (Supp. 1941)), with amendments effected after June 14, 1941, indicated by footnotes, see *Documents Pertaining to Foreign Funds Control*, March 30, 1944, pp. 5–10.

4. Control over securities has been established under other prohibitory measures issued by the United States Treasury. Any securities or currency imported into the United States must be reported to and deposited with specified Government agencies. It is illegal to receive or hold any such currency or securities without specific authorisation of the Treasury.

Further, no security to which a tax or other stamp or notarial seal of a foreign country has been attached may be dealt with in the United States unless a certificate has been attached to the security by the authority of the United States Treasury.

No transfer or dealing with respect to any security registered or inscribed in the name of a blocked country or national thereof may be effected without a licence from the Treasury.

To prevent looting, special measures have been taken to prohibit dealing in any Philippine currency or securities.

5. The Alien Property Custodian is empowered to take such action as he deems necessary in the national interest with respect to business enterprises, patents, ships, or vessels and certain other property in the United States where such property is affected with the interest of a foreign or enemy national. The Custodian has (*inter alia*) power to direct, manage, supervise, control or vest any such property.

6. General legal principles in the United States would suggest that, if transfers and dealings referred to in the Inter-Allied Declaration were wilfully contrary to the prohibitory regulations discussed herein, they would be determined by the courts to be invalid, and, in any event, the Executive Branch of the United States Government could legally invalidate such transfers and dealings. It is to be noted that under Section 3(*a*) of the said Act and General Ruling No. 11 [25] all transactions involving trade or communication with an enemy national are prohibited unless licensed.

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740.00113 European War 1939/1102 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, October 8, 1943—8 p. m.
[Received October 9—12:50 p. m.]

6833. An indication of the attitude of the Soviet [Union] towards Poland was given here on October 7 at a meeting of the Subcommittee on Axis Acts of Dispossession. This subcommittee was appointed immediately after the signing on January 5, 1943 of the Inter-Allied

[25] *Documents Pertaining to Foreign Funds Control*, March 30, 1944, p. 34.

Declaration Against Acts of Dispossession Committed in Territories Under Enemy Occupation or Control, to prepare for the main committee a factual report on methods of dispossession and on existing legislation that might be used to invalidate forced transfers. Each government was asked to submit a memorandum to the subcommittee on the facts relating to its own territory. The subcommittee then drew up a draft memorandum to cover the whole field.

At a meeting on October 7 to consider the draft memorandum the Soviet representative, M. Istchenko, a member of the Soviet Trade Delegation, made the following statement.

"Before the subcommittee considers the draft interim report I have the following statement to make:

The members of the subcommittee were invited to submit a memorandum on acts of dispossession practised by the Axis on their own territories. Those memoranda were intended to be a source of information and a basis for report. Among the memoranda received by the subcommittee is one submitted by the Polish representative. The said memorandum contains references to territories which are an integral part of the territories of the Union of Soviet Socialist Republics. These references are on the following pages: Page 1, lines 6–8, 11–21, 26–36; page 2, lines 27–29; page 4, lines 35–37; page 13, lines 34–54; page 14, lines 11 and 53–55; page 15, lines 27–29 and 43.

Taking into consideration the above, I submit that the memorandum of the Polish representative should be corrected in the appropriate way. In any case the said memorandum in its present form cannot be enclosed with the interim report of the subcommittee."

In view of the passages to which the Russian representative has made reference, it appears that territories in question are those in eastern Poland which were occupied by Russian forces shortly after the German invasion of Poland.

Gregory, chairman of subcommittee and Controller of Trading with Enemy Department, stated it would be difficult to ask the Polish representative to withdraw or correct report of his Government and suggested that a formula be inserted into the report making it clear that the references to Poland referred to the geographic area administered by Polish Government on September 1, 1939, and did not affect in any way whatsoever any outstanding question concerning adjustment of frontiers. It is not clear at present whether the Russian representative will be satisfied with anything less than correction of Polish memorandum.

Polish memorandum in question is document I.A.D. 33 of Subcommittee on Axis Acts of Dispossession transmitted to Department under cover of despatch 10904 dated August 30.[26] Copy of draft

[26] Not printed.

report on methods of dispossession practiced in Europe will be forwarded to Department immediately.[27]

I thought you would like to know about this incident before your departure.[27a]

WINANT

740.00113 European War 1939/1119 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, October 26, 1943—8 p. m.
[Received 9:40 p. m.]

7387. Dispute reported in my 6833, October 8, to Department, raised again by Soviet representative at most recent meeting of Inter-Allied Subcommittee of Axis Acts of Dispossession held October 20. Soviet representative not satisfied with suggestion by Gregory, chairman of committee, that report be prefaced by statement indicating that nothing in report should be regarded as prejudicial to position of any signatory on any outstanding boundary question. Gregory now proposes statement at end of report in which Soviet representative specifically [dissociates] himself from Polish memorandum and any statement in report based on that memorandum. Soviet representative did not appear to be satisfied with this suggestion at meeting. Decision on the question postponed until next meeting of committee. Soviet representative obviously acting on instructions. Foreign Office has instructed Gregory to attempt to find solution [without?] forcing issue. Polish Government not willing to withdraw and amend memorandum as demanded by Soviet representative. All other members of committee want to avoid situation in which Soviet representative will withdraw and refuse to sign report. Soviet report on methods of dispossession not yet received but expected in reasonably near future.[28]

This message will be of interest to Reinstein in Office of Foreign Economic Coordination.[29]

Repeated to Moscow.

WINANT

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[27] Despatch No. 11587, October 9, not printed.

[27a] The Secretary was leaving shortly to attend the Tripartite Conference of Foreign Ministers at Moscow, October 18–November 1, 1943.

[28] No record found in Department files of receipt of such a Soviet report; statement submitted by the U.S.S.R. on "scope of existing Legislation under which Transfers or dealings would be or could be invalidated" was transmitted to the Department by the Ambassador in the United Kingdom in his despatch No. 10461, August 2, 1943 (740.00113 European War 1939/1011).

[29] Jacques J. Reinstein, Divisional Assistant, Foreign Funds Control Division; for a short period associated with the Office of Foreign Economic Coordination before its foreign economic operations were transferred to the Foreign Economic Administration, in accordance with an executive order of September 25, 1943.

740.00113 European War 1939/1141 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, November 11, 1943—1 p. m.
[Received 10:14 p. m.]

7864. Reference Embassy's 6833, October 8; 7387, October 26.

1. Sometime after the meeting on October 7 of the Inter-Allied Sub-Committee on Axis Acts of Dispossession, Gregory, the Chairman, proposed to Istchenko, the USSR representative on the Sub-Committee, the following solution:

(1) An amended version of paragraph 27 of the draft report indicating that the material for the report had been drawn from a number of sources other than the memoranda submitted by the various governments and that nothing in the report should be deemed to have any political significance particularly as regards boundary questions;

(2) a proposed new final paragraph in which Istchenko would specifically dissociate himself from any references to Poland in the report but express agreement with the remainder of the report.

A further meeting of the Sub-Committee took place on November 9. Just before the meeting Gregory received a reply from Istchenko that these proposals were unacceptable.

2. At the meeting on November 9 Istchenko pressed for a Sub-Committee vote on the propositions (1) that the Polish Government should withdraw the memorandum which it has submitted to the Sub-Committee or amend it by deleting the references to those territories which are regarded by the Poles as eastern Poland but which in the Russian view are territories belonging to the USSR; (2) failing this to instruct the drafting Sub-Committee to amend the report by deleting all references to Poland.

The Chairman avoided a vote and Istchenko later read a statement indicating that if these propositions were not accepted he would be obliged to refrain from signing the report.

From informal conversations just after the close of the meeting it was indicated that if such a vote were taken the Norwegian representative [30] and possibly also the Czechoslovak representative [31] might vote with Istchenko, while the Dutch representative [32] and possibly also the Yugoslav, French, Belgian and Luxemburg representatives [33] might abstain from voting.

3. It became clear shortly before the meeting of November 9 that no solution would be possible through the channels of the Sub-Com-

[30] M. F. Hiorthoy.
[31] Hugo Stein.
[32] W. Huender.
[33] N. Dimovic, André Gros, R. Golstein, and V. Bodson, respectively.

mittee. The matter was therefore discussed informally by an Embassy representative with Ronald [34] and Lord Hood [35] in the Foreign Office. It was agreed that a vote on the Sub-Committee would be certain to lead to a rift which would make it impossible to get all countries to sign the Sub-Committee's report. Moreover the function of the Sub-Committee has always been considered to be that of a fact finding body only. The only prospect of solution was to deal with the matter at a diplomatic level outside the Committee. In a further informal conversation with Ronald and Lord Hood today it was indicated that the Foreign Office contemplates having the matter taken up in Moscow in the hope that Istchenko's instructions can be amended with a view to the acceptance of a solution possibly along the lines of Gregory's suggestions indicated in section 1 above. Hood will send us for comment a copy of a draft instruction which the Foreign Office will consider sending to the British Ambassador in Moscow. He suggested that if the American Government thought fit it might at the appropriate time consider sending a representation on similar lines. Meanwhile it is expected that Gregory will put off any further meeting of the Sub-Committee until this dispute is settled out of committee.

As soon as we receive the suggested draft instruction which the Foreign Office is preparing to send to the British Embassy in Moscow we will telegraph it to the Department.

WINANT

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740. 00113 European War 1939/1189 : Telegram

The Chargé in the United Kingdom (Bucknell) to the Secretary of State

LONDON, December 2, 1943—8 p. m.
[Received 9 p. m.]

8415. The Foreign Office today informed us that they have cabled instructions to the British Embassy in Moscow regarding the Russian-Polish problem referred to in Embassy's 7864, of November 11. We were not shown draft of British cable as previously agreed because of some confusion and misunderstanding arising from the fact that Ward of the Foreign Office who deals with this question, only recently returned from Moscow. However, the telegram, a paraphrase of which has been handed to the Embassy, was along the broad lines previously discussed with Embassy and transmitted to Department in Embassy's 7864.

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[34] Nigel B. Ronald, British Acting Assistant Under Secretary.
[35] Viscount Samuel Hood.

The telegram was sent on November 27 and began by summarizing the developments in the Inter-Allied Sub-Committee on Acts of Dispossession which led to the refusal of the Soviet delegate to sign the draft report unless all references to Poland were eliminated. It explained the grounds upon which the Soviet delegate based his objections to the report and the position he took on the committee. This information is contained in Embassy's 6833, October 8, 7387, October 26, and 7864, November 11.

The telegram explained that the British felt unable to put pressure on the Poles since it would conflict with the British policy of not recognizing territorial changes occurring after the outbreak of war and that deletion of all references to Poland would spoil the report and provoke a dispute between the Poles and the Sub-Committee. It was made clear that the Soviet delegate was acting on rigid instructions and unless these instructions could be modified the choice was between producing no report or producing a report without the concurrence of the Soviet representative, who might be supported by other governments who would also withhold signature.

The Foreign Office stressed that they wanted very much to avoid this situation and they instructed the British Embassy to take up in the most appropriate manner the question of modifying Mr. Istchenko's instructions. The British Embassy was also instructed to explain the concern of the Foreign Office at the development of this unfortunate controversy, partly because they deplored anything which further impaired Russian-Polish relations and particularly because of the British interest in the discussions resulting in the declaration of the 5th of January, 1943 and the setting up of the Sub-Committee with a British chairman. The Foreign Office pointed out that political disputes should not hold up the work of fact finding technical committees and that the British Government hoped that the Soviet Government also considered that the activities of such a committee engaged on the preliminary study necessary for dealing with enemy acts of dispossession were important. The British Government expressed the belief that the Soviet Government would agree that politics had no place on the work of the committee and hoped, therefore, that the Soviet representative would be authorized to sign the draft report since it in fact did not mention either the disputed territory or the disputed Polish Government paper. The fact that the Sub-Committee had agreed to emphasize that no political implications should be drawn from the report and was also willing that the Soviet representative should if he liked specifically dissociate himself from all references to Poland, was mentioned.

The telegram ended by stressing the urgency of the matter and requesting that the Soviet Government be approached. It also expressed the hope that the American Ambassador in Moscow would receive instructions to approach the Soviet Government.[36]

Mr. Ward explained orally that although the British telegram mentioned that if political disputes could not be eliminated from technical committees inter-Allied collaboration on a technical level would become impossible, the Embassy in Moscow was not instructed to raise this general issue but is not precluded from doing so. He felt that confining the approach to the specific issue of Mr. Istchenko's instructions would be the better course. He also mentioned that an appearance of combined action on the part of the British and American Governments would be looked on with suspicion by the Russians. He hoped, however, that the American Embassy in Moscow would receive instructions in line with those of the British Embassy. Until the question is settled in Moscow there will be no further meetings of the Sub-Committee and if the approach to the Soviet Government is unsuccessful, it will probably be preferable to drop the entire matter and wind up the work of the Sub-Committee. This would be an unfortunate development since valuable work has been done.

Penrose,[37] who has been handling this question here, is now in Washington. I suggest he be consulted in the matter and request that whatever instruction is issued to Moscow be repeated to London.

BUCKNELL

740.00113 European War 1939/1218 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, December 27, 1943—6 p. m.
[Received 6:47 p. m.]

9000. With reference to the British approach in Moscow regarding the Russian-Polish dispute arising out of the draft report of the Inter-Allied Sub-Committee on Axis Acts of Dispossession, the Foreign Office informs us that on December 14 Clark Kerr [38] gave a note to Molotov [39] and discussed the subject with him in accordance with the Foreign Office instruction summarized in Embassy's 8415 of December 2. Clark Kerr reported that Molotov made no comment but listened with sympathy and agreed to look into the matter.

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[36] No record of such instruction found in Department files; for correspondence on Soviet-Polish political relations, see vol. III, pp. 314 ff.

[37] E. F. Penrose, Special Assistant to the Ambassador in the United Kingdom.

[38] Sir Archibald J. K. Clark Kerr, British Ambassador in the Soviet Union.

[39] V. M. Molotov, People's Commissar for Foreign Affairs of the Soviet Union.

The Foreign Office feels that at this stage it would be most desirable to have some informal expression in Moscow of an American wish that political differences should not enter the sphere of the Sub-Committee's work, and that the draft fact-finding report should be agreed on without delay. The Soviet representative has admitted that there is nothing in the draft report as it now stands to which he objects. There is no reference in it to eastern Poland or to the memorandum submitted by the Polish Government to the Sub-Committee. The draft report is also acceptable to the Poles. All that is needed is a modification of Istchenko's instructions to enable him to sign the report or approve it in line with an informal suggestion that the chairman alone should sign it after the national representatives have indicated their approval. This would mean dropping the demand that the Polish memorandum to the Sub-Committee be formally "withdrawn" or that every reference to Poland be eliminated from the draft report, and accepting as an alternative, if the Soviet wished, (1) a reservation by the Soviet representative dissociating himself from all references to Poland in the report, (2) an amendment in the draft report emphasizing that no political implications, particularly as regards boundary questions, were to be drawn from anything in the report (see paragraph 1 of Embassy's 7864, November 11).

The Foreign Office felt that if a formal American approach had been made simultaneously with the British approach there would have been an impression in Moscow of unduly concerted action between the United States and Britain. They believe, however, that there is now a favorable opportunity. Some time has elapsed since the British approach was made. The American approach might be purely informal and could be justified by the facts that (1) the United States is a signatory to the declaration of January 5, 1943, (2) it has a representative on the Sub-Committee through whom it has been made aware of the difficulties now holding up the draft report, and (3) it has an interest in Russian collaboration on technical matters.

We believe it to be important that the Sub-Committee's work, now practically completed, shall not be held up indefinitely through a political difference that has no reflection whatever in the report. The establishment of the Sub-Committee was publicly announced following the declaration of January 5. Questions have been asked in Parliament regarding the progress of the work of following up the declaration and eminent lawyers in Parliament take a continued interest in the subject. It would, therefore, hardly be possible to con-

ceal a breakdown from the British public and Allied circles generally in London and such a breakdown would undoubtedly be prejudicial to other attempts at technical collaboration.[40]

WINANT

[40] In telegram No. 9945, November 14, 1944, 9 p. m., the Chargé in the United Kingdom reported that no meeting of the Sub-Committee had been held since November 9, 1943, and that attempts to settle differences out of committee had been unsuccessful. No reply had been received to the British representations to Molotov in December 1943. The Chargé reported that the British Foreign Office's attitude was that the committee should remain in suspense but that there should be no formal dissolution. (740.00113EW/11-1444)

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