

February 28, 1947  
5: 45 p.m.

Loy,

If I were writing this this evening, I would change the emphasis somewhat from the general dollar problem and bring in more the necessity for bolstering up democracy throughout the world. I do not think, therefore, that you can accept any of this as a literal suggestion, but merely as a bolder and more imaginative presentation of our economic policy needs in view of today's crisis.

If Mr. Acheson wants to do anything about this, I think that the best procedure for him would be to telephone Clark Clifford and raise the question with him, and, through him, with the President, as to whether in view of the Greek crisis, he does not want the Department to recast the latter half of his Baylor address.

JMJ

*my notes on Acheson's  
presentation to  
Adpt working group  
Feb 28*

DRAFT

At the White House meeting on February 27 the British notes were presented to the Congressional Delegation and the situation explained to them.

The first question that was raised was how much was this going to amount to--what are we getting in for. Some suggested that the matter should be presented to the public as aid to the Greeks for the Greeks are popular in this country, etc. But that argument didn't get very far.

The second question raised was, does this mean pulling British chestnuts out of the fire? There was a very adverse reaction when this point was raised.

At that point the Secretary and Mr. Acheson proceeded to a very frank discussion of the whole situation in the following terms: In the last 18 months the position of the democracies throughout the world has materially deteriorated. While Secretary Byrnes and Senators Connally and Vandenberg have been going from conference to conference trying to hold together the heart of international cooperation, the Russians have been engaged in the systematic policy of trying to encircle Germany and Turkey with Soviet dominated states.

The encirclement of Turkey has had two prongs. One has been directed at Iran and the other at Greece. The effort to dominate Iran has failed. The effort in Greece has had a large measure of success but is not yet decided. The Russian effort in Greece has been aided by the Communist rebellion on the northern boundaries centered in adjacent Communist dominated countries. It has also been aided by the activities

~~TOP SECRET~~

of

of the EAM. These Communist activities in Greece have undermined the financial position and the tranquility of Greece.

Meanwhile, the Russians have been spurring extensive activity in Hungary, Italy, France, and Austria.

In France Communist infiltration has been extremely successful, so successful that it appears that any time the Russians want to pull the rug they can do so.

In Italy Communist influence has grown enormously; in Hungary it is advancing; and in Austria it is going very well.

We have arrived at a situation which has not been paralleled since ancient history. A situation in which the world is dominated by two great powers. Not since Athens and Sparta, not since Rome and Carthage have we had such a polarization of power. It is thus not a question of pulling British chestnuts out of the fire. It is a question of the security of the United States. It is a question of whether two-thirds of the area of the world and three-fourth of the world's territory is to be controlled by Communists.

After this presentation the Congressional delegation were extremely impressed and said that they would support a program designed to strengthen Greece and Turkey. But they wanted to know what definite program we had for meeting the situation and what it would cost. They also stipulated that this program be presented to the public in terms almost as frank as those in which Secretary Marshall had presented it to them.

It is therefore necessary in the next week to draw up an elaborate program and President Truman will discuss it with the Congressional delegation on week from today.

General Marshall has said that this matter must be presented to

Congress

Congress and the public in the frankest terms. Mr. Acheson says that we should not talk provocatively; specifically we should avoid accusing the Soviet Union directly but to talk instead about the spread of Communism without specifically tying it up to Russian direction.

In the public presentation the concept of individual liberty is basic, and the protection of democracy everywhere in the world. It is not a matter of vague do-goodism, it is a matter of protecting our whole way of life and of protecting the nation itself.

British action with respect to Greece is a part of the general program of British retrenchment throughout the world, as in Burma, Palestine, India, Egypt.

Our program in Greece should be: (1) to equip the Greek Army so that it can restore order, (2) make it possible for the Greeks eventually to reduce their military cost so that ~~they~~ will not be such a drain on the Greek economy, (3) bring about a reconstruction of Greek economy and administration so that it can be self-supporting.

Extensive legislation is required of Congress for relief, for delivering military equipment to the Greek Army, for personnel to carry out the economic and military program.

See the current issue of "World Report" for an analysis of the British white paper on their general economic condition.

At the SWMC meeting it was pointed out by Mr. Jernefen that Greece is a constitutional democracy. Elections were held last spring

~~TOP SECRET~~

under allied observance and they concluded that the elections had been fair. Last fall there was a plebis/cite on the King, and the opinion of the military observers there was also that it was a fair vote. The cabinet was reformed recently by the will of parliament. These are evidences of a real democracy in Greece. There is plenty of evidence that the government represents 75 to 80 percent of the electorate. The government is not a corrupt fascist regime.

See NEA's policy statement on Greece.

See the electoral report.

We are going to set up in Greece a economic organization to have in their hands virtual control of all the resources of the Greek state.

Why is Greece in danger of collapse?

What is the story of the EAM?

Instead of talking about the Russians encircling Greece, we should talk of Communist developments in all critical areas.

The theme of our new approach should be that the security of the United States depends upon our going to the aid of any and all democratic governments. Tommy Thompson said we should put this in the President's statement. We are not supporting any country in aggression but we will help them defend themselves.

We must make sure that the British go along with us.

We are certain to be charged with being anti-Soviet, with engaging in atomic diplomacy and with encircling the USSR.

Our line should be that war with the Soviet Union is not inevitable, but that if Communism ~~spreads~~ spreads to all the critical areas where it threatens

~~TOP SECRET~~

~~TOP SECRET~~

- 5 -

DECLASSIFIED  
E.O. 11652, Sec. 3(E) and 5(D) or (F)  
Dept. of State letter, Aug. 1973  
By *MLC*, NARS Date *12-24-77*

threatens now, war will be inevitable. This should be presented ~~if~~  
as a way to avoid war.

General Arnold's statement: Greek geurillas now number 12,000.  
The Greek Army is unable to cope with these. Greece is the only  
country in the Balkans not under Soviet domination. If Greece falls,  
Soviet pressure on Turkey will be irresistable. If Greece and Turkey  
should fall, the Eastern Mediterranean, with its oil supplies, would  
be untenable to the democracies.

We should point out in our public presentation that we have been  
interested for some time in developments in Greece. We can point to  
the visit of the Greek Prime Minister in January, and to the Porter  
Mission to show our interest.

We should talk about the cost of doing what we are going to do  
as compared to the cost to us if Turkey and Greece should go.

See NEA for Communist activity in Greece.

See EUA for telegram from Paris on new book on Communism and  
Bedell Smith telegrams.

~~TOP SECRET~~