



DELEGATION OF THE UNITED STATES OF AMERICA

Geneva, Switzerland
June 30, 1947

PRIVATE

Dear Bob:

I have not written you personally regarding our London meetings as there was not much to add to the extensive reports, memoranda, etc. which we sent you by cable and by air mail.

The more I think of this matter, the more I am convinced that we must carefully observe two important principles in procedure:

1. We don't want any "pool" of dollars or of goods for Europe. We want a European plan participated in by all European nations wishing to join under a set of principles and conditions and commitments to which all will subscribe individually and collectively, but when it comes to actually granting the money or the goods I think it must be done by way of separate bilateral agreements between the United States and each recipient country. We don't want any more organizations of the type of UNRRA.

2. We must carefully stick to a separation of the immediate from the long-term. Immediate aid over a period of three or four years would consist of consumers' goods or money with which to purchase same in those cases (like in England) where circumstances justify purchases in countries other than the United States. The long-term problem would be taken care of by International Bank credits for reconstruction and development. (see enclosed copy of my memorandum of June 19 to the Secretary. Suggest you discuss matter with Jack McCloy if you get a chance.) This distinction is justified on several grounds but one of its attractive features is that it automatically takes care of the knotty problem of dealing with Eastern Europe.

As Lew Douglas has reported, the British position is becoming critical. Of course we know what the situation is in Italy and I am afraid France is not much better off. Secretary Marshall's speech has put new life and hope into all of these people but it will be necessary to act quickly if this good result is to continue. They can't live on hope very long. For this reason it seems to me essential to contemplate at this time an extra session of Congress for the early Fall.

The Honorable
Robert A. Lovett

June 19, 1947

The members of the British Cabinet with whom Lew and I had four meetings were apparently pretty blue when we started but there was a noticeable change in their attitude as time went on and I feel sure Bevin went to Paris with plenty of spunk and fight in him.

I would like your comments on the British side-memoire and on the memoranda of the London talks as soon as you can get to it.

I am expecting to go to Paris as soon as the present meeting there is concluded, and then to Rome.

Sincerely yours,



W. L. Clayton