

the US Zone and the US area of Vienna 1200 calories for a period of 60 to 70 days. By conserving in the Zone in order to take care of the critical situation in Vienna I feel I can then get by until the next harvest is expected early in September. Furthermore, if food supply responsibility is returned to the military I will be in a position to force Konev to put food into Vienna as I have done in the past. He has furnished no food in the Soviet Zone to date so the people in that area will be no worse off than they have been for months. The same applies to the French Zone. The British no doubt will have difficulties, but I am convinced they can work them out some way to get by if forced to it.

"While I realize that it is the desire of the War Department to divest itself of responsibility for disease and unrest in Austria, I feel that this cannot be done until some agency is prepared to take over that responsibility. The mere transfer of such responsibility without effective implementation will not relieve my limited troops of the task of dealing with any situation which develops here as result of any supply shortages. UNRRA should continue at top speed with its procurement program so it can take over or supplement supply responsibility at the earliest possible date.

"I have received your WARX 85514 and fully appreciate the ideal situation envisioned therein with regard to restoring economic unity in Austria, but this can only be accomplished by a supply agency with full means of implementation, which UNRRA does not now have, nor does it now foresee either from its own resources or from the military. "

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VIENNA--APRIL 30, 1946: General Clark arrived at his office at 1000 hours after having walked from his villa. He immediately saw General McMahon followed by General Tate and later conferred with Colonel Burrill concerning the dependents' train. Mrs. Clark and Ann will arrive in Vienna this evening with the first shipment of dependents. General Clark left his office at 1230 and spent the remainder of the day at the villa preparing the reception for Mrs. Clark and Ann. At 1900 he had his old friends in for dinner and they awaited the arrival of the train which was six hours late.

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VIENNA--MAY 1, 1946: General Clark arrived at Franz Josef Bahnhof at 0030 and awaited the arrival of Mrs. Clark and Ann. The station was decorated for their arrival and a band was on hand to aid in the welcoming of the first families. After a long wait the train arrived at 0130 and it was really a happy occasion for the reunion of the families. Lieutenant Clark had boarded the train at Salzburg and accompanied his mother to Vienna. The entire family went immediately to the villa where they retired for the night after inspecting the house. At 1000 hours General Clark was serenaded with "Happy Birthday to You" by the band and was wished many happy returns of the day by several members of his



staff who had gathered at his villa. Today is General Clark's fiftieth birthday. After serving eggnogg and cake to the guests, General Clark toasted the arrival of the dependents and was toasted in return by Mrs. Clark. At 1130 Mr. Denby, representing the State Department, presented General Clark with a beautiful collection of 18th Century etchings of Vienna. General Clark had lunch with his family at the villa and remained there the rest of the afternoon. At 1930 hours General Clark arrived with his family at General Tate's villa where he was given a cocktail party and buffet dinner in honor of his birthday. Various members of the staff and wives were present. General Clark returned to his villa at 2300 hours.

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VIENNA--MAY 2, 1946: General Clark arrived at his office at 1000 hours and immediately conferred with General Tate and General McMahon and at 1035 saw Mr. Adams of the Political Division. After working on accumulated correspondence General Clark saw General McMahon with Colonel Martin on personnel problems and Austrian marriages. The General left his headquarters at 1245 and had lunch with his family at the villa. He remained at the villa during the remainder of the day and in the evening had guests for dinner.

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VIENNA--MAY 3, 1946: General Clark arrived at his office at 1000 hours and immediately conferred with General McMahon. Shortly thereafter he held a long conference with Mr. Erhardt and later worked on correspondence and several other official papers. The General left his headquarters at 1300 and had lunch with his family at his villa. In the afternoon he rested. At 1630 Mrs. Clark held a tea for the newly arrived wives and the wives already in Vienna and at 1730 General and Mrs. Clark received the husbands at a short reception. At 1930 General and Mrs. Clark and Ann had dinner at the Bristol Hotel with Colonel and Mrs. Howard, Colonel Martin, Mr. Adams, Colonel Klein and Captain Luther. They later watched the floor show at the Bristol Club and then returned to the villa.

General Clark sent the following message to Joint Chiefs of Staff, pass to State Department, Reference Number P-7618: (SECRET)

"Under present policies as established in State Department cable No. 64, dated 13 August 1945, United Nations displaced persons are not required to work in order to receive rations, except on temporary basis when conditions justify. This policy has encouraged a certain amount of idleness at a time when there is a shortage of labor, particularly in the construction and agriculture industries and when a shortage of food exists in Austria. It is requested that I be authorized to require all able bodied United Nations displaced persons, except persecutees, to work in order to receive rations."

General Clark sent the following message to Joint Chiefs of Staff, Reference Number P-7619: (SECRET)



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"Austrian Government has passed a law creating an Austrian Liberation Medal to be awarded to deserving members of the Allied Forces on Austrian territory, to Austrians and to others concerned with the liberation of the Austrian Republic. This law is now being considered by the Quadripartite Legal Division. I propose to approve the law with the understanding that this award is not repeat not to be made to any member of occupation forces until after withdrawal of such forces from Austria."

General Clark sent the following message to Joint Chiefs of Staff, information to M/A Moscow, Reference Number P-7696: (SECRET)

"Reference your WAR 86525. Konev has replied to my letters of protest in the case of fighter attack on US C-47 No. 348779 near Tulln on 22 April, and the incident on 5 April of anti-aircraft firing in vicinity of US C-45 carrying Major General Parker. He stated that the incident involving C-47 No. 348779 occurred as result of violation of the established corridor. As to the incident on 5 April Konev advised that his investigation "established no such incident" and furthermore "in this region there are no Red Army anti-aircraft guns." I am replying to Konev's letter pointing out to him that witnesses present at Tulln established positive proof that C-47 No. 348779 was in the established corridor near Tulln when attacked and reaffirming my protest against repetition of incidents in the Linz-Vienna corridor involving American planes. Also I am asking Konev to lend his support in removing restrictions on flying over the Soviet Zone in Austria, which subject has been considered for some time in Quadripartite Air Division meetings.

"At the present time I do not believe that the incidents involving American aircraft signify a changed Soviet policy, but instead are believed to be irresponsible acts by Red Army air personnel. There is the possibility however that these repeated incidents might have as their purpose a means of attempting to force me to agree to other unrelated Allied Commission matters. The real purpose is not known at the present time."

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VIENNA--MAY 4, 1946: General and Mrs. Clark and Ann, accompanied by Colonel and Mrs. Smith, left Vienna by car at 0830 hours to drive to Gmunden where they had lunch at Villa Traumlick which the General is considering requisitioning for the summer. After lunch the General's party drove to Hinterstoder where he will spend a few days. At 1630 General Tate flew from Vienna to discuss the food situation with General Clark. The General's party had dinner in the small lodge and retired early.

General Clark sent the following message to Joint Chiefs of Staff, pass to State Department, Reference Number P-7716: (SECRET)

"Reference my message P-7434, last thirty days supply not repeat not yet turned over to UNRRA. I am withholding pending receipt further instructions reference proposal made in paragraph four above cited mes-



sage. No improvement in Austrian food situation after 1 June is in sight at present time."

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VIENNA--MAY 5, 1946: General Clark accompanied by Ann and Captain Traugott left the lodge at 0800 hours to go fishing. Colonel and Mrs. Smith with another hunter went to a different spot. The entire party spent the day fishing and returned to the lodge in the evening where they had dinner and retired early.

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VIENNA--MAY 6, 1946: General Clark left the lodge at 0830 and spent the day fishing and returned at 1830 and had dinner with his guests.

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VIENNA--MAY 7, 1946: General Clark, Mrs. Clark, Ann, Colonel and Mrs. Smith and Captain Luther left Hinterstoder at 1015 by car and drove to Linz arriving there at 1215 hours. They had lunch with General Collins, Colonel and Mrs. Meade and Colonel Ross. At 1330 the party accompanied by General Collins' party drove to Wels where they enjoyed a horse show given by the Spanish Riding Academy of Vienna. The show was a beautiful display of Lippizaner horses for which the Spanish Riding Academy is famous. The General's party boarded his private train at the Wels station at 1600 and returned to Vienna arriving at 2200 hours. The General went immediately to his villa with his family.

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VIENNA--MAY 8, 1946: General Clark arrived at his headquarters at 0945 and immediately saw General Tate. Shortly thereafter the General recorded his speech which will be broadcasted later during the day in commemoration of VE day. At 1015 he again conferred with General Tate and General McMahon, and at 1030 left his office to go to the Allied Council Building for the four power VE day parade. General Clark was the only Commander present. The other three Commanders were out of town but sent representatives to the ceremony. After receiving the report of the troop commanders, the four Commanders reviewed the troops. Upon the completion of the parade General Clark entertained the high ranking staff officers and wives of the other powers and Austrian officials at a cocktail party in the Allied Council Building. At 1200 General Clark went to the Parliament Building where the Austrian people expressed their thanks and appreciation to him, in a speech given by Chancellor Figl. On leaving the Parliament Building accompanied by Mrs. Clark and Ann, he went to his villa where he spent the afternoon. In the evening General and Mrs. McMahon had dinner with General Clark.

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VIENNA--MAY 9, 1946: General Clark arrived at his office at 1000 after walking from his villa. He immediately conferred with General Tate and General McMahon and then began work on the final corrections of the



article on the submarine trip which he is writing in collaboration with Mr. Israels. At 1130 General Clark saw Colonel Smith for a short time and after having lunch in the C.G. mess continued to work on his article.

At 1403 hours he saw Mr. Erhardt and General Tate on the agenda for the Allied Council meeting tomorrow and after seeing General McMahon for a short time left his office at 1530 hours for his villa where he spent the remainder of the day. At 1900 hours General Clark received General Poole, Commander of the 6th South African Division, at his villa where he had General Poole and his two aides as his guests for dinner.

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VIENNA--MAY 10, 1946: General Clark arrived at his office at 1000 hours at which time he received General Poole and General McMahon. After conferring shortly with Mr. Erhardt and General Tate, General Clark left his office for the Allied Council meeting at 1100. General Clark returned to his office at 1415 and immediately held a press conference attended by the following correspondents: M.W.Fodor, Chicago Sun; Tom Hawkins, World Report; Lynn Heinzerling, Associated Press; Josef Israels II, INS and This Week; John MacCormac, New York Times; T/3 A.A. Noyes, Stars and Stripes; Constantine Poulos, Overseas News; M. M. Werner, United Press; Colonel Stanley J. Grogan, Public Relations Section; Captain Gene E. Bradley, Public Relations Section.

After conferring with General Tate for a short time, General Clark left his office for his villa where he spent the rest of the evening.

General Clark sent the following message to Joint Chiefs of Staff, pass to State Department, information to Sec. Byrnes, c/o Embassy Paris, Reference Number P-8027: (SECRET)

"1. Allied Council meeting today marked by extreme cooperative spirit. Agreement reached all items on agenda. Most important items dealt with were (a) cost of occupation forces in Austria, and (b) Liquid Fuel Plan for Austria for May. Results achieved both subjects extremely favorable in light US policy and considering past stand of Soviets.

"2. Subject of occupation costs has been under Allied Commission discussion since February. Up to date Soviets have steadfastly held out for at least 50% of Austrian Civil Budget as proper share for occupation costs. This has been just as steadfastly opposed by me. I have held out for a top limit of 35% of the civil budget. Agreement reached today provides (a) Austrian Government to be advised that Allied Council estimates repeat estimates that occupational costs will not exceed 35% of Austrian Civil Budget, (b) For period 12 February to 30 June occupation costs fixed at 35% of civil budget, or 400,000,000 Schillings, (c) Of amount agreed for period 12 February to thirty June (4½ months), Soviets to get 220,000,000, British, French and American to get 60,000,000 each, (d) Amount to be included in budget for next quarter is to be determined by all four powers before beginning of quarter.



"3. While amount obtained by Soviets for current period is over three times amount allotted each of the other three powers, the sum given Soviets is a substantial reduction when viewed in light of amounts previously granted Soviet element. For January Soviets received 240,000,000 for one month. The 220,000,000 agreed today is for a period of 4½ months from 12 February to 30 June. It is my understanding that Soviet troops have not been paid since end of February. If this is true, Soviet agreement on amount split today indicates possible troop reduction.

"4. In liquid fuel discussions Soviets agreed to supply 28,000 tons POL products to meet UNRRA's need of 30,500 tons during May. This is substantial increase over previous monthly allotments by Soviets. Shortage of 2500 tons is all gasoline, which other three powers agreed to supply on equal basis. Soviets also stated that amount to be contributed by them in June to meet needs of UNRRA would not be less than contribution made for May. I consider this to be reasonable contribution and recommend no action be taken at this time under UNRRA Resolution passed in March to force Soviets to contribute full amount. Their attitude today leads me to believe we might eventually get them to meet complete UNRRA POL needs.

"5. General Kurasov represented Marshal Konev at meeting today. He told me that Marshal Konev would be away for one month on leave of absence in Moscow."

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VIENNA--MAY 11, 1946: General Clark arrived at his office at 1000 hours and immediately saw General McMahon. At 1100 hours General Clark attended a decoration ceremony in the Conference Room of the Headquarters Building. After conferring with Mr. Erhardt and General Tate, General Clark left his office and walked to his villa with Colonel Martin whom he had as his guest for luncheon. General Clark accompanied by Mrs. Clark and Ann went to the Franz Josef Bahnhof to be present at the arrival of the second group of dependents coming from the United States on the train which arrived at 1815. Shortly thereafter the General and his family attended a cocktail party given by Mrs. Eleanor Dulles. At 1915 General Clark, Mrs. Clark and Ann attended a dinner party given by Colonel and Mrs. Sullivan.

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VIENNA--MAY 12, 1946: General Clark remained at his villa throughout the day and had Colonel and Mrs. Howard, Colonel and Mrs. Smith, Colonel and Mrs. Sullivan as guests for lunch. In the evening he attended a dinner given by Colonel and Mrs. Howard.

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VIENNA--MAY 13, 1946: General Clark arrived at his office at 0910 and immediately conferred with Colonel Grogan on the plans for the entertainment of Mr. and Mrs. Ogden Reid of the New York Herald Tribune, who will arrive in Vienna on the 15th of May. After conferring with General Tate, General Clark saw Mr. Erhardt. At 1030 General Clark again conferred with General Tate and General McMahon and after working on correspondence General Clark conferred with Mr. Erhardt. After seeing General Tate and then Colonel Lloyd, who spoke to the General about IG investigation of units, General Clark had lunch in the Commanding General Mess with Mrs. Clark and Ann. Shortly after lunch General Clark went to his villa with Mrs. Clark where he spent the rest of the day.

General Clark sent the following message to Joint Chiefs of Staff, information to USFET, Reference Number P-8135 (SECRET):

"Your message WARX 87710 is subject.

"Soviet authorities here appear to be taking steps to prevent further incidents involving American aircraft as there have been no recent incidents. Recommend diplomatic action not repeat not be taken at this time. Future messages this subject will be furnished USFET."

General Clark sent the following letter to Colonel General L. V. Kurasov, Deputy Commanding General, Soviet Element, Allied Commission, Austria:

"My dear General:

"At a meeting with Soviet representatives held in Vienna on 24-25 July 1945, it was agreed to establish an air corridor between Linz and Tulln Airfield for the flight of U.S. aircraft. As a temporary expedient an air corridor bounded by terrain features was selected for use of U.S. aircraft pending the selection of a satisfactory air corridor based on a study of the air space, weather, terrain and suitable sites for installation of aids to air navigation.

"As a result of this study the U.S. Air Forces have installed radio ranges at Linz and Tulln. The beams overlap on a direct line between the two points enabling aircraft to maintain a direct course. During inclement weather it is sometimes the only means of establishing the aircraft's position. This is especially important in view of the close proximity of the Alps. Safety, time, economy of operations, all dictate adherence to a direct route between these two points. Anticipating your concurrence with the other Allies of freedom of air transit over all of Austria, U.S. aircraft have used a direct Linz-Tulln route for the past nine months without incident until quite recently. This I believe establishes the feasibility of such a route without offering interference in any way with Soviet air operations.

"In September of 1945 I submitted through my Air Division a proposal for freedom of the air over all of Austria for aircraft of the occupying powers. Soviet agreement on this proposal would eliminate the necessity for erecting air corridors in any zone of Austria. This matter has been presented to the Soviet element in various forms at Air Division level with the hope that an agreement could be reached. Thus far we have not received



Soviet concurrence. Pending further negotiations for freedom of the air over all of Austria, in order to eliminate air incidents caused by the present inadequate temporary air corridor and to insure the safe operation of U.S. aircraft, I request that you authorize U.S. aircraft to use the direct Linz-Tulln corridor and corridors from Tulln over Soviet Occupied Austria in direct lines toward Prague and Budapest.

"This request is in keeping with the spirit of our negotiations with your representatives in the meeting of 24-25 July 1945. In view of the recent incidents involving American aircraft I consider it most urgent that we reach an understanding in this matter with the least practicable delay. May I, therefore, have your early concurrence in the above matter.

Sincerely yours,"

The General sent the following letter to Colonel General L. V. Kurasov, Deputy Commanding General, Soviet element, Allied Commission, Austria:

"My dear General:

"It has been brought urgently to my attention that certain oil companies in Austria, which are wholly or in large part American, have been placed in a very precarious financial position owing to the failure of the Soviet authorities to make payment for deliveries of petroleum and refined oil products which these companies are required to supply to the Soviet Mineral Oil Administration.

"The companies thus affected are the Vacuum Oil Company AG, the Roh-oelgewinnungs AG and the Oesterreichische Mineraloelwerke, and in some instance bills which were submitted as long ago as last July are still unpaid. I am advised that the total amounts due these companies is now over 8,000,000 Schillings, and this has so far exhausted their cash resources; that if help is not promptly given they will be unable to continue operating for lack of funds with which to meet their payroll and overhead expenses.

"The Soviet Mineral Oil Administration does not deny that it owes the sums in question, but merely states that it does not have the funds with which to meet its obligations.

"I am confident that it is not the intention of the Soviet Element to foster what must soon appear as a serious discrimination against American interests in Austria, nor to confiscate the oil produced by these companies. Accordingly, I would appreciate it if you would instruct the Soviet Mineral Oil Administration to take steps promptly to liquidate its debts to these American or partly American oil companies.

"May I ask you to advise me at an early date of any instructions which you may have given in regard to this matter?

Sincerely yours,"

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VIENNA--MAY 14, 1946: General Clark arrived at his office at 0930. He immediately conferred with General Tate, General McMahon and Colonel Pesek for the arrangement at the Bristol Hotel on the 17th. This reception will be a huge affair covering all calls for officers of USFA and the return calls. Later General Clark conferred with Colonel Burrill on the arrangements which had been made to bring Mrs. Fodor, wife of War Correspondent Mike Fodor, to Vienna. General had received a cable from General Gruenther on this subject. At 1015 General Clark saw Lt. Colonel McFeely on an article which had appeared in the Stars and Stripes about DP camps. Mr. Demerest Bess, War Correspondent for the Saturday Evening Post, held a lengthy conference with General Clark at 1030 hours on the setup in Austria. After seeing General Tate shortly after 1100 hours General Clark left the office for his villa where he received General McCreery. General McCreery is leaving shortly to take up his new command as Commanding Officer of the British Army of the Rhine. After reviewing an honor guard for General McCreery, General and Mrs. Clark entertained General McCreery, General and Mrs. Winterton, General and Mrs. Packard, General and Mrs. Tate, and General and Mrs. McMahon at lunch. General Clark remained at his villa for the rest of the day. In the evening General Clark had guests for poker.

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VIENNA--MAY 15, 1946: General Clark arrived at his office at 1005 hours. He immediately conferred with Generals Tate and McMahon and at 1030 hours saw Colonel Grogan of PRO. Josef Israel, who is collaborating with the General on his book, brought in the second completed article for the General to review. The first article on the submarine trip has been completed. At 1230 hours Colonel Howard saw General Clark on the Yugoslav Mission which is working in the American Zone without General Clark's knowledge. At 1300 hours General Clark received Mr. and Mrs. Ogden Reid, owners of the New York Herald Tribune, and after briefing them shortly entertained them at luncheon in the CG Mess. At 1430 hours General Clark held an orientation for Mr. and Mrs. Reid at which he discussed at length the various problems of Austria. General Clark left his office at 1500 hours for his villa where he spent the rest of the day. In the evening he had dinner with Mrs. Clark and Ann, and retired early.

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VIENNA--MAY 16, 1946: General Clark arrived at his office at 0900 hours and worked on correspondence. At 1000 hours he conferred with General Tate and later with General McMahon. At 1130 hours he had a long conference with Mr. Erhardt, after which he saw Generals Tate and McMahon again. At 1240 hours Colonel Hume talked with General Clark on results of his recent trip to Rome at which time he had made preparations for the celebration of the second anniversary of the liberation of Rome. General Clark left his office at 1315 hours and went to the villa where he had lunch with Mrs. Clark. In the evening General and Mrs. Clark entertained Mr. and Mrs. Ogden Reid, Mr. and Mrs. Erhardt, Colonel and Mrs. C. C. Smith, Colonel Flory, Mr. Bess of the Saturday Evening Post, and Colonel Grogan at a birthday dinner for Mr. Reid.

General Clark sent the following message to Joint Chiefs of Staff,



information to USFET, Reference Number P-8391 (SECRET):

"Subject is feeding of United Nations displaced persons and persecutees. UNRRA agreement and UNRRA resolutions prohibit preferential treatment by UNRRA of United Nations displaced persons and persecuted minorities. This policy places such persons on same feeding scale as Austrians. Persons in these categories now receiving supplementary food averaging eight hundred calories per day from American Red Cross food parcels. In addition to this eight hundred calories AJDC is supplying approximately 500 calories daily to persecutees.

"Supply of Red Cross parcels will be exhausted in June, which will reduce United Nations displaced persons to feeding level of Austrians, which at present time is below 1200 calories. Persecutees will, in addition to the Austrian ration, receive such supplementary food as AJDC is able to supply, which it is anticipated will not exceed the 500 calories now being supplied.

"It is understood that in Germany United Nations DPs and persecutees are receiving 2300 to 2500 calories daily, and that USFET proposes to reduce this scale in near future to 2000 calories.

"The lowering of the ration scale for United Nations DPs and persecutees in Austria below the scale established in U.S. Zone Germany will be misunderstood by such persons under my control in Austria and is bound to be misinterpreted to detriment United States. Also, I anticipate increase in crime rate among such displaced persons in an effort to acquire more food.

"It is recommended I be authorized to use military stocks to feed United Nations displaced persons and persecutees the difference between the Austrian ration and the ration scale established by USFET for such classes of persons. I now have approximately 51,000 United Nations displaced persons and persecutees in the U.S. Zone. It is estimated that it will require about 500 tons food per month to meet this differential."

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VIENNA--MAY 17, 1946: Today is General and Mrs. Clark's 22nd anniversary. In order that the family might be together on this day, Bill Clark arrived in Vienna early in the morning, much to his mother's surprise. General Clark had breakfast with his family, and at 0915 hours they heard a special broadcast of the Blue Danube Network wishing the General and Mrs. Clark many happy returns of the day. The General arrived at his office at 1000 hours and immediately saw Generals Tate and McMahon and Colonel Pesek on the final arrangements for the reception to be held at the Bristol Hotel this afternoon. After seeing Mr. Erhardt, General Clark received General Sir Humphrey Gale, whom he knew in North Africa. General Gale is the second man in UNRRA, being the Director's representative in the ETO. General Clark conferred with General Gale and Brigadier Parminster until 1230 hours. Shortly after seeing General McMahon, General Clark left his office for his villa where he had lunch with his family. At 1600 hours General and Mrs. Clark and Bill arrived at the Bristol



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Hotel where they were joined by Ann, and at 1630 hours gave a reception for all the officers and wives in USFA. The reception lasted until 2000 hours and the guests totaled over 750. At 2030 hours General and Mrs. Clark, Ann and Bill boarded the General's train to go to Hinterstoder for the weekend. Other guests in the party were Colonel and Mrs. Sullivan, and Colonel and Mrs. Howard.

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VIENNA--MAY 18, 1946: General Clark's train arrived at Hinterstoder at 030 hours this morning and, after having breakfast on the train, General Clark accompanied by Ann went fishing at 0900. The party assembled for a picnic lunch and in the evening had dinner at the General's small lodge.

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VIENNA--MAY 19, 1946: General Clark spent the morning fishing and boarded his private train at Hinterstoder at 1230 hours at which time he departed for Vienna. He arrived in Vienna at 2030 hours and with his family went immediately to the villa.

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VIENNA--MAY 20, 1946: General Clark arrived at his office at 0900 hours and immediately conferred with General Tate concerning the program outlined for the negro editors who will arrive at 1100 hours. At 1000 hours General McMahon saw General Clark and later General Haynes was called in to give the details on the War Crimes trials which will be held at Salzburg next week. General Haynes will head the court. Colonel Deutsch, who recently returned from the States, called on the General at 1100 hours to pay his respects and to give him recent information he carried from General Gruenther. General Daddy Weems saw General Clark at 1145 hours and conferred with him until 1215 hours. General Weems is awaiting clearance to Budapest where he will head the ACC for Hungary. After conferring with Generals Tate and McMahon, General Clark had lunch in the CG Mess in the Bank Building, and at 1430 hours received the three colored editors (Frank L. Stanley, Louisville Defender; Dowdal H. Davis, Editor of Kansas City Star; William O. Walker, Cleveland Call & Post) and Major Daniel Day, Negro Interest Section, War Department, Bureau of Public Relations, and held a short orientation until 1515 hours on the setup and progress in Austria. Shortly after the completion of the conference, General Clark left his office for his villa where he spent the remainder of the afternoon.

At 1930 hours General Clark gave a cocktail party and dinner at the Hotel Bristol for the three editors after which he returned to his villa where he spent the night.

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VIENNA--MAY 21, 1946: General Clark arrived at his office at 0900 hours and immediately conferred with Mr. Bess of the Saturday Evening Post. At 0930 hours he saw Colonel Rich concerning his personal health and then saw General Tate and Mr. Erhardt on the agenda for the Executive meeting. Colonel Grogan conferred with General Clark on the PRO setup and also on



some complaints which Miss Peggy Poore of INS had registered against the PRO setup. Colonel McLean discussed some court martial cases at 1040 hours with General Clark and at 1100 hours the General left his office to receive General Steele, the new British Commander in Austria, at an Honor Guard ceremony in front of Headquarters. After the ceremony, General Clark escorted General Steele to his office where they held a conference until 1130 hours. On the departure of General Steele, General Clark received Messrs. Maurilio Coppini and Roberto Gaja. Mr. Coppini is the new Italian Political Representative to Austria.

At 1220 hours General Weems called to bid goodbye to General Clark. General Weems is an old friend and classmate of the General. Miss Peggy Poore conferred with the General at 1225 hours on the complaints which she had against the PRO setup in Vienna. Later General McMahon discussed several problems with General Clark, and was followed by Colonel Grogan. The General left his office at 1300 hours and had lunch with Mrs. Clark at the villa. In the evening General and Mrs. Clark and Ann were dinner guests of Mr. and Mrs. Erhardt.

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VIENNA, MAY 22, 1946: General Clark arrived at his office at 0945 hours and immediately conferred with General Tate, who shortly afterwards brought in the Jewish Chaplain, Oscar Lifshutz, to discuss with the General matters pertaining to Jewish DPs. At 1000 hours the General saw Colonel Martin, G-1, and at 1005 hours Joe Israels, INS. Shortly afterwards he conferred with General McMahon. The General spent the remainder of the morning on official correspondence and left his office at 1300 hours for his villa. After lunch at the villa, General Clark rested during the afternoon and with Mrs. Clark and Ann was dinner guest at the home of Chancellor Figl.

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VIENNA, MAY 23, 1946: General Clark arrived at his office at 0900 hours and immediately saw General Tate. He conferred again with General Tate at 1030 hours, as well as with General McMahon. The General had lunch at the Bank Building at 1300 hours and left for his villa at 1430 hours.

General Clark sent the following message to Major General W.H.E. Poole, GOC, 6th SA Armored Div. London, Ref.P8725, SECRET:

"Reference your conversation with Ladue suggest you communicate with Major General Alfred M. Gruenther Army and Navy Staff College, Washington, District of Columbia. You will remember him as my Chief of Staff in Italy.

"New subject. I am leaving on a trip which will take me away for about three weeks. Is it possible to forecast date of Field Marshal Smuts' visit? A date sometime after 18 June will find me in Vienna and at which time I would be delighted to have the Field Marshal visit me."

The following paraphrase was forwarded to General Clark from telegram 509 - SECSTATE to AUSPOLAD VIENNA (confidential):



"In discussion which the Department held recently looking toward the post UNRRA needs of certain European countries, Austria of those countries requiring some free relief in 1947 was considered. Your early correction and comments are requested on provisional prospectus of Austrian foreign exchange position and import requirements in 1947 founded on the supposition of a partial settlement of outstanding diplomatic questions which follows:

"Medical supplies 5 million dollars; footwear and clothing 10 million; coal 28 million; agricultural supplies 30 million; industrial raw materials 95 million; capital goods replacement 15 million; allowance for freight 10 million; total estimated minimum import needs 255 million.

"Food import requirements which are based on supposition domestic production 1530 calories per person and normal consumer ration 2000 calories calculated as follows: sugar 15000 mt (2.1 million); wheat 430,000 mt (dollars 30.1); fats 31,000 mt (dollars 10.9 million); pulses 100,000 mt (19 million); total food 576,000 mt (62.1 million). There is no meat included. Domestic meat supplies estimated should furnish 30% prewar consumption of meat.

"Following is the estimation of balance of payments position: in 1947 Austrian exports should approach one half the value of her imports excluding food, that is, 96 million dollars. Six million dollars assets frozen in the U.S.; possible Export-Import Bank loan 25 million dollars; estimated 5 million dollars in remittances; and 5 million gold held in London are other possible means of financing. As yet no bank loan has been applied for and the amount suggested is hypothetical entirely. A residual deficit of 118 million dollars is left, a deficit for which there is now in view no means of financing." Byrnes.

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VIENNA, MAY 24, 1946: General Clark arrived at his office at 0830 hours and saw General Tate, who briefed him on the Allied Council meeting to be held later this morning. At 0930 hours Mr. Erhardt conferred with the General. At 1000 hours he saw Mr. Erhardt again with Mr. James Riddleberger, who is chief of the Central European Desk in the State Department. At 1030 hours the General left for the Allied Council meeting which lasted until 1330 hours. Shortly afterwards he had a press conference and then left for his villa.

General Clark sent the following letter to Glenn Neville of the New York Mirror, New York City, in reply to Mr. Neville's letter of May 9 with which he enclosed an edition of the Mirror which summarized General Clark's work in Vienna, and which was published in all Hearst papers from coast to coast:

"My sincere appreciation for your interest in sending me a copy of the Thursday, May 9th, edition of the New York Mirror.

"The article concerning your visit to Vienna was most encouraging and we are grateful for the thoughts you expressed in it.

"It was indeed a pleasure having you with us on your recent trip



and I hope that we may meet again in the not too distant future."

General Clark sent the following letter to Major Gen. Charles L. Bolte, Headquarters Army Ground Forces, Army War College, Washington in reply to his of May 13:

"I was happy to receive your letter of 13 May and the General Orders listing several unit citations.

"I trust that the recommendation for the 10th Mountain Division will get under the wire and secure recognition for their fine work in Italy.

"Despite time spent in tackling many problems, while I hold the Chair in the Allied Commission this month, I have been able to enjoy thoroughly the reunion of my immediate family here in Vienna. Bill, my son, is doing Infantry troop duty in one of Harry Collins' units."

General Clark sent the following message to Joint Chiefs of Staff Ref. P 8752, SECRET:

"Reference is made to Paragraph 3 your message WAR 87739. I have discussed the subject of Austrian Food Supply for June with General Gale, Head of UNRRA, London, and Brig. Parminter, Austrian UNRRA Chief, and they have given me their best estimate of UNRRA food supplies definitely in sight for June feeding. These amount to approximately 27,000 tons. This added to indigenous supplies reported available by the Austrian Government will provide for the entire month of June for all of Austria between 700 and 800 calories for the normal consumer.

"I revealed for the first time to Gale and Parminter that I had a reserve and that I would be willing to turn over a part of it to UNRRA in order to raise the June ration. They both promised to keep this information secret, and at my request Parminter immediately sent a letter to me as Chairman of the Allied Council requesting the occupation powers to loan UNRRA about 15,000 tons of supplies to raise the ration to approximately 1000 calories.

"My initial plan in requesting Parminter to give me this request was to attempt to squeeze part of the deficit from the British and Soviets. Informal discussions with Soviets indicates they are unwilling to contribute anything. British hope to make some contribution. The Soviets immediately seized upon the occasion to demand the creation of Quadripartite missions to operate in all zones to check on available food supplies, with the accusation that the Austrians are hiding food, particularly in the U.S. Zone. In the light of previous experience in utilizing Quadripartite groups for examining any matter, nothing but confusion and false accusations will result from such a procedure in this case.

"Last night I talked at length with Chancellor Figl regarding the food situation. He and his people have convinced me that all steps are being taken by the Austrian Government to squeeze the last indigenous resources from the farmers without destroying the future food economy of the



country.

"I plan to call upon the other powers in Allied Council Meeting 24 May for contributions to meet the 15,000 ton deficit, realizing no contributions will be made by Soviets and little by the British. I will immediately turn over to UNRRA the balance of the 15,000 tons they have requested, and even more should my observations of the food situation in Austria make it necessary during the month of June.

"Gale and Parminter both are most anxious that I not turn over my entire reserves at this time, as July is going to be another critical month with rail and coal strikes in the United States presenting uncertainties in deliveries of food supplies promised for Austria.

"Gale and Parminter are in complete accord with my intentions and I propose to work closely with them. I believe we can by this way just about get by with the food situation in Austria until the next harvest, with greater credit redounding to the United States Government's contribution to UNRRA.

"I am absolutely convinced from information I have gathered and from propaganda the Soviets are beginning to use through the Communist Party here that the Soviets are standing by with large stocks of food hoping to create a crisis to the embarrassment of the Western Allies, UNRRA, and the Austrian Government. Such a food situation in Austria is an ideal breeding ground for creating dissension, confusion, and hate, which communism thrives upon. I am also convinced we must not give the Soviets this opportunity they seek. I hope that by my plan we can handle the situation."

\* \* \* \*

VIENNA, MAY 25, 1946: The General arrived at his office at 0900 hours. After conferring with General Tate he worked on official correspondence until 0950 hours at which time he left for British Headquarters to call on General Steele, the new Commander-in-Chief of British forces in Austria. Returning to his headquarters at 1030 hours he attended a ceremony in the Conference Room of the Bank Building at which time he decorated and promoted several of the officers in his headquarters. Mr. Bourgin of Time and Life magazines called on the General at 1045 hours. At 1115 hours General Clark saw Colonel Grogan and at 1145 hours Mr. Norgard of PRS. At 1150 hours he conferred with Generals McMahon and Tate and afterwards left for his villa where he spent the afternoon resting. Later he prepared for his trip to Italy. At 1745 hours the General and Mrs. Clark and Ann went to the 110th Hospital to see Captain Luther, and then attended a cocktail party at Colonel Flory's. The General's family boarded the train at Meidling Station at 1900 hours for departure for Venice. Among the guests on the trip to Venice were Mr. and Mrs. Erhardt, Captain and Mrs. Winterhaler, Colonel Pesek, Colonel Ozment. After a buffet dinner aboard the train the General's party saw a movie and then retired.

The General sent the following message to JOINT CHIEFS OF STAFF, pass to State Department, Ref. P 8836 SECRET:



"1. At Allied Council meeting 24 May, General Kurasov represented Marshal Konev and General Cherriere represented General Bethouart. New British Commander General Steele was present.

"2. Two items were removed from the agenda on request of Soviets and not discussed. One covered reduction of troops as result of my statement of U.S. policy at meeting 25 April. French and British had previously approved policy in Executive Committee. Soviets would not discuss on grounds subject outside their competence. Other item covered free use of air space over Austria by all powers. Soviets prefer to continue present arrangement of bilateral agreements. British, French, and American elements desired to discuss item. But in view Soviet attitude, subject was dropped from agenda. Kurasov promised me he would discuss subject at early Commander in Chief's informal conference.

"3. Food situation for June was discussed. Austrian Food Minister presented report which revealed that available indigenous supplies and UNRRA receipts would provide not more than 700 to 800 calories daily for normal consumers. This report was confirmed by statement of Brigadier Parminster, UNRRA chief. After much discussion, in which Soviets attempted to force a resolution which obviously was intended to embarrass UNRRA and the Austrian Government and Western Allies if they did not provide 1200 calories for June, which resolution was not adopted, I pressed the other Commanders to contribute more food to raise the ration to at least 1000 calories. After much maneuvering, Soviets finally agreed to contribute 7500 tons. French stated they had hopes that about 7000 tons of additional food would arrive about 20 June. This French contribution if it ever arrives will not affect June ration as it requires at least 10 days to distribute food after it arrives in Austria. British stated they would do everything possible to contribute, but at the present time they could make no firm commitments. I agreed to contribute 15,000 tons from my stocks. If Soviets live up to their agreement the ration will not be below 1,000 calories per day for the month. It was also agreed that Austrian Government should make full use of indigenous food to increase the ration to provide as near as possible the approved ration scale of 1200 calories. To ensure that full advantage is taken of indigenous supplies, the Council approved a resolution establishing in each Zone a mission consisting of a representative of the occupying power, UNRRA, and the Austrian Government. This mission is charged with locating and reporting any hidden indigenous stocks. Soviets attempted to establish quadripartite missions for this purpose. British, French and American elements vetoed such a proposal.

"4. Unanimous agreement was reached on draft of new control machinery. Details are being forwarded in separate message.

"5. The Council agreed on certain proposals to expedite prosecution of election fraud cases and Nazi criminals.

"6. The Council agreed to send a delegation to negotiate with the German Control Council on exchange of Austrian electric power for German produced coal. Soviets accepted resolution with understanding that Soviets would not send member, as matter did not concern Soviet Zone.



"7. A resolution was adopted which places all Austrian railroads under control of Ministry of Transport. This is a definite step forward in turning over to Austrians management own affairs.

"8. In general, meeting was harmonious. Desire of Soviets to make political capital of food situation was only major point of difference. This was effectively blocked by British, French and American Elements. Soviets made some major concessions in arriving at agreement on draft control machinery."

General Clark sent the following message to Joint Chiefs of Staff, pass to SECSTATE, Ref. No. P-8882 SECRET:

"I note with apprehension Cable 1969 from Secstate to Paris dated 29 April (repeated to Erhardt as 424) and the protracted uncertainties likely to result. I am faced immediately with the problem of continuing the operation of industries in the US zone which are deemed essential to the Austrian economy but which may be subject to reparations claims by the Western Powers as wholly or in part German external assets. In important cases such industries need refinancing but the uncertain character of their assets as a result of potential reparations claims prevents them from obtaining bank loans. Also redeployment makes it increasingly difficult to maintain close surveillance over the operations of such industries. I must either permit plants of this kind to close down, with resulting unemployment and detriment to the Austrian economy, or find promptly an appropriate means to finance and continue operating them.

"A case in immediate question is the Steyr-Daimler-Puch A.G., originally an Austrian automobile factory expanded some ten times by the Germans for war production. Present capital is Reichsmarks 80,000,000 and bonded indebtedness another 80,000,000. 51% of the shares are owned by Bank der Deutschen Luftfahrt, Berlin, and seem clearly German foreign assets. Ownership of remaining shares uncertain but probably largely German and the exact location of shares themselves is unknown. Ownership of outstanding bonds uncertain. Company has largest installation in US zone with important plants in British zone; has branches also in Soviet zone but equipment now removed from these. Plants in US zone have been maintained in operation around a US ordnance program which is now completed. Installations of the company in US and British zones can produce importantly for Austrian civilian needs, but this will require operational financing which banks refuse because of probable reparations character of majority of assets.

"One possible solution might be to ask the Austrian Government to maintain the Steyr plants in operation, giving that govt assurance that those parts of the Steyr factories in the US zone which it deems essential to the Austrian economy will not be removed as reparations (this does not affect removals for restitutions purposes). I would thus be giving the Austrian Govt explicit assurance that reparations claims from German foreign assets in US zone will not be taken in kind where it is agreed that those assets are essential to the Austrian economy and that if and when demand is made for reparations from such assets it can be met from equivalent values. I might secretly assure the Austrian Govt that the US intends to waive its claim to German foreign assets in the western zones of Austria, and to use its good offices to induce the other western powers to do likewise.



"If I took this course I might further propose that the Austrian Govt act as a contractor for operating the Steyr Works, paying a reasonable fee to the stockholders for the use of their property and thereafter taking such profit or losses as may result from the Plant's operation for the Govt's own account. I could probably protect my position as custodian for the reparations claimants by appropriate liaison with the operational management and by suitable assurances from the Austrian Govt.

"I do not know that the Austrian Govt will accept a proposal of this kind but believe they must cooperate with me to prevent further decline in the economic level. Such assurances appear to agree with US policy as outlined in the State Dept's 316 of 16 Nov 1945.

"Although the foregoing might solve the difficulties of the Steyr plant, it must be emphasized that many other Austrian industries in my zone present similar problems. Some 50% of Austria's industry is in the western zones of occupation, and of this perhaps 65% or more is potentially liable to reparations claims. It is very doubtful that the Austrian Govt has either the funds or the organization to operate any considerable number of these plants during the interim period in which we are endeavoring to negotiate an international position on reparations claims (SECSTATE to Paris, rptd as 424 to Vienna Apr 29.)

"It is not known to what extent the proper application of the London Declaration on forced transfers would restore to Austrian ownership industries presently labeled as German. It is clear however that a very large segment of industry in Austria would revert to the Austrian State if reparations claims were waived, and this would in effect bring pressure on the State to nationalize such former German accruals. The State and War Depts may therefore wish to consider alternative means of maintaining in operation industries liable to reparations claims.

"A plan which I favor most strongly and which has been worked out in detail here for a proposed reorganization of the Steyr Werke would place Allied Representatives on their top Board of Directors in somewhat the same fashion as the Allied Control Commission for Germany has done in Spain. This plan might serve as a pattern for other industries. It contemplates formation of a new company in which I and my Brit colleague would presently exercise all the rights evidenced by the 51% of capital stock now standing in the name of the Bank der Deutschen Luftfahrt. At present the old company has no top Board of Directors. All its activities are carried out by a local Board of Management under Property Control Officers. If I follow this plan I would, in cooperation with my British colleague, reconstitute a top Board of Directors in the new company upon which each of us would be represented. I would also invite the Austrian Govt to name representatives to this Board with the proviso that the Austrian Directors should thereafter be elected at regular stockholders' meetings.

"As between myself and my Brit colleague I would work out an arrangement under which I would have the right to vote for both of us on all purely local matters of administration and operations affecting the



plants in my zone, according him a like privilege on all such matters in the Brit zone.

"Although we would thus for the time being be in a position to exercise complete control of this corporation through the majority stock, we must recognize three important factors: first, the company immediately requires a substantial amount of working capital. Second, there are likely to be a number of claims and disputes as to ownership rights in the old company which probably cannot be determined without protracted negotiation. Third, I assume that neither my Govt nor the Brit Govt would wish us to maintain a permanent stock position in any Austrian corporation.

"For purpose of discussion I classify these 3 stock positions as investors stock, claimants stock, and reparations stock.

"Admittedly Austria is suffering from a purchasing power in the hands of her people far in excess of the amount required to maintain economic activity at present levels and prices. The draining off of this excess purchasing power into the capital structures of Austrian industries would serve in a large measure to reduce inflation pressure, and I feel that, for that reason if none other, the money needed by Steyr should come from the savings of the Austrian people rather than from the burdened governmental exchequer. It follows that our reorganization plans should make attractive provision for the investment of the Austrian people.

"I would try to accomplish this through an agreement with the reorganized corporation that the reparations claimants should accept a stock position less than the 51% which it appears we could maintain. I would make an appraisal of all the assets which are to go into the reorganized corporation and an estimate as to the amount of probable claims. I would encourage the reorganized corporation to set aside sufficient stock to cover the likelihood that claimants would welcome stock in the reorganized corporation in satisfaction of their claims. The total stock position set aside for the claimants would probably not need to exceed 33 1/3% and if the reparation claimants agree to accept a like position, there would be a block of 33 1/3% available for the investors.

"We could avoid the maintenance of a permanent stock position in this corporation and offer further inducement to investors by entering into an agreement with the reorganized company granting to the investors an option to purchase one share of reparations stock for each share of investors stock they initially purchase. This option could extend over a period of years long enough to permit the reorganized company to become well established. The price would be expressed in dollars and would be worked out with fair regard to the value of the assets turned into the reorganized company and the stock position which I might be entitled to insist upon for the reparations claimants.

"I should like to point out that this company is probably the most important producer of ball bearings which the Allies propose to allow to remain in occupied Europe, and that the export of such bearings should bring substantial foreign exchange into Austrian hands. Therefore, it appears quite likely that, over a period of years, if the business is successful, the company stockholders will be placed in a position to exercise the option. The reparations claimants would then receive substantial returns which would not repeat not be a burden upon the Austrian economy. If the business is not successful, the reparations claimants are no worse off than at present.



"Since this matter is one of great urgency, I am taking steps to put this plan in operation. Informal discussions have been held between members of my staff and the Brit Foreign Office in London and I have reason to believe that the plan will have Brit concurrence. Erhardt concurs in plan"

General Clark sent the following letter to Col. General L. V. Kurasov, Deputy Commander, Soviet Forces Austria:

"I should like to take this opportunity to thank you for your letter of 24 May and for your prompt consideration of my request for straightline routes for American aircraft in flying over Soviet-occupied Austria. This eliminates waste and uncertainty in attempting to fly a dog-leg course. I am sure you appreciate that in flying corridors and air routes emergencies may arise wherein aircraft in distress due to weather or mechanical trouble may be forced to deviate from such routes or corridors. This is one of the chief reasons I hope you will join the British, French and Americans in establishing free air transit over all of Austria for aircraft of the Quadripartite powers. The United States proposal now before the Allied Council recognizes and provides for such emergencies.

"Another point we need early agreement on is the manner of clearing aircraft to fly over Austria. The value of the airplane is largely nullified by placing time clearance restrictions on its use. The airplane is useful chiefly because it saves time, can take off on short notice, and arrive at destinations long before other means of transit. This is not the case, however, when aircraft clearance restrictions are imposed. The air proposal now before the Council provides for routine clearance procedure in which aircraft may be cleared by filing a flight plan which gives all the details of the flight. In this manner aircraft can be dispatched to carry out important missions in the matter of minutes, thus exploiting the usefulness of air transportation. As you know, this system of clearance is already in effect in all except the Soviet-occupied Zone of Austria. Your approval of the U.S. proposal would make aircraft clearance procedure uniform throughout Austria.

"If you will agree to the free use of the air space over Austria with routine clearance procedure, I am prepared to agree to the immediate reestablishment of the Austrian Meteorologic Service to support such flying."

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VENICE, MAY 26, 1946: The General's train arrived at Venice at 1015 hours where the General was met by Brigadier Eve, British Commander of the Venice Area, and Colonel Hume. The King of Italy's motor launch was waiting in the Grand Canal to take the General's party to the hotel Royal Danieli. After an hour's walk around St. Mark's Square, the General's family had lunch in the hotel with Mr. and Mrs. Erhardt, Captain and Mrs. Winterhaler, Commander Musmanno and Captain Jordan. In the afternoon, the General visited various places of interest, including Lido Island. At 2000 hours the guide took the General's family to a fish dinner in a small cafe one block off the Grand Canal. After dinner the General returned to the hotel and retired.



WAR for WARCOS, info to USFET, sent the following telegram Ref. No. P-8879, SECRET:

"Your attention invited to fact that great majority of remaining UN DP's have failed to avail themselves of repeated opportunities for repatriation. Such opportunities are still available. Proposed regulation directed at those who are remaining in Austria and are accepting gratuitous support rather than return to their homes or become self-supporting civilians in Austria.

"It is therefore proposed that United Nations Displaced Persons be brought into the general labor market and be available for all types of employment in which they will use their previous knowledge, training and general aptitude. Specific answers are:

"a) Employers may be Allies or Austrians,

"b) Work will be offered within the capabilities and fitness of the individual. Hours and working conditions are regulated by very liberal Austrian laws and will include all types of agricultural and industrial occupations. Employment is the regular, normal type such as is open to any Austrian citizen.

"c) Wages paid will be standard and legally established wage scales based on occupation, skill and length of service. Rations will be in the same amount as received by Austrians,

"d) Payment will be made in standard Schilling currency.. Money received will not be blocked in any way and can be spent to the extent that civilian goods are available or as the recipient desires. Present limited foreign exchange condition of Austria makes conversion of Schillings into foreign currency, at time of repatriation, impossible."

General Clark sent the following message to Joint Chiefs of Staff, pass to State Department, Ref. No. P-8883, SECRET:

"1. Ref your WAR 87896. According to reference message, coal supply is now a responsibility of UNRRA and Austrian Govt. Present capabilities as stated by UNRRA Austria show no immediate solution to problem. UNRRA Austria Mission states unable to assume responsibility for furnishing coal. Studies on readjustment of UNRRA program show no funds available procurement this essential commodity. Austrian Govt with no foreign exchange, barter deals based on Austrian production and uncertain negotiations with Germany on exchange electric power for coal can produce nothing tangible at present. Furthermore, other Allied powers here have not received information that supply of all items formerly imported thru their military channels for civil use is now responsibility of UNRRA. This places US element at great disadvantage if UNRRA is unable to meet our needs in US zone.

"2. In the case of hard fuels, following is estimate of Austrian needs of hard coal - Coke import repeat import requirements and forecast of possible imports:

a. Minimum requirements;

Seven months (70% of 1937 imports)	1,400,000 tons
Average monthly	2,000,000 tons

b. Barter and Relief Deliveries in prospect:

Country type of transaction	Tons
Czech remaining on old barter deal	3,000
Poland remaining on 25,000 "gift to UNRRA"	11,000
Hungary Part of new barter deal	14,440



Czech Part of new barter deal	5,000
Poland Barter deal pending	300,000
German Barter of electricity See Prospects I and II below.	

Prospect I. If ACA agreed formula on trade terms is accepted, 518,000 tons may be secured. On assumption present allocation level is maintained.

Prospect II. If conference with AC/Germany results in compromise whereby only 1/2 of #1 is secured, 259,000 tons may be secured.

"c. Total imports in prospect:

(1) If Prospect I (Barter of electricity) is completed, total for next 7 months might be 851,440 tons (333,440 plus 518,000). Average monthly will be 121,634 tons.

(2) Total imports if Prospect II above is completed;  
Total for next 7 months might be 591,440 tons (333,440 plus 259,000). Average monthly will be 84,491 tons.

"d. Deficits in prospect depending whether Prospect I or II of pending deal with Germany are completed:

(1) Based on para c (1) above, total for 7 months will be 548,560 tons. Average monthly deficit will be 78,366 tons.

(2) Based on para c (2) above (compromise formula) total for 7 months will be 808,560 tons. Average monthly deficit will be 115,509 tons.

"3. Both Polish and German deals are very uncertain as to immediate tangible results. Polish signature (Poles apparently awaiting reorganization of private Austrian distribution agency) and Allied Commission approval necessary. Deal will be introduced to Trade Committee around 28 May. If this deal is consummated promptly, it will be several weeks before any of this coal can be delivered to Austria. Some doubt exists on outcome negotiation with German control group on exchange electricity for coal. Considerable delay in settlement this matter, as US element Germany (BR and FR also) has no directive yet to allow barter deals. No deliveries from this source likely for some months.

"4. My studied opinion is that present system of procurement allocation and distribution of coal by military is vital to prevent economic breakdown and consequent chaos. Request authority to maintain status quo of present fuel imports by military until such time as UNRRA is capable of taking over."

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VENICE, MAY 27, 1946: After breakfast at 0830 hours the General went riding in a gondola for about one hour, followed by the motor launch which later carried him shopping to a linen store. At 1100 hours he met the cars and left by motor for Florence. General Clark and his party stopped for lunch one mile north of Ravico, Italy, and then continued to Florence by way of Bologna, arriving in Florence at the Excelsior Hotel at 1730 hours where they spent the night.

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FLORENCE, MAY 28, 1946: The General had breakfast in his suite at 1000 hours and later went shopping. In the afternoon he moved to the villa of Countess Rasponi where he lived the remainder of his stay in Florence. The General and his family were dinner guests of the Rasponi's at 2000 hours after which he returned to the villa and retired.

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FLORENCE, MAY 29, 1946: The General had breakfast on the lawn of the villa at 1000 hours. During the morning he had a conference with Mr. Robert Low of Time and Life Magazines, and Colonel Grogan, who accompanied Mr. Low and party from Rome. Mr. Low, Mr. and Mrs. Farbman, also of Time and Life, were luncheon guests at the villa. After lunch the General had an informal conference with Mr. Low, who is writing an article on him for Time, and posed for the artist, Annigone. The General and his family were dinner guests of Mr. and Mrs. Sartori this evening.

General Clark received the following message from Field Marshal Smuts, Ref. No. P-724:

"My warm thanks for your kind invitation to Vienna. I regret however that I shall have to leave here before you return to Vienna and shall therefore go direct to Rome. My best wishes and many thanks for your many acts of friendship."

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FLORENCE, MAY 30, 1946: The General had breakfast at 0900 hours and at 0930 posed for one hour for the sculptor Berti and at the same time had an informal conference with Mr. Low. At 1000 hours the General was escorted to the U.S. Military Cemetery at Castelfiorentino for a Memorial Day ceremony, arriving there at 1105 hours. After a short talk by Colonel Oxx, Commanding Officer of the Peninsula Base Section, the General made the following address:

"When the Fifth Army landed on Italian soil almost three years ago, I said that our invasion was one of liberation and not of conquest. We had no desire to take anything from the Italian people; we wanted no goods, no money, no land. All we asked was a little bit of ground in which to bury our glorious dead.

"Here at Castelfiorentino is a bit of that ground. It is sacred ground. Here lie buried many of the gallant men who made the supreme sacrifice. This is a solemn moment as we pause here this morning to pay homage to these men who have died in order to make this world secure for the peace and freedoms we cherish and bought so dearly.

"It is well at this time to reflect, in the memory of the men who rest in this hallowed ground, that the sacrifice they have made was impelled by the same peace-loving and freedom-loving spirit that brought our nation into the war with our Allies and which was climaxed by the smashing of those mad dogs whose evil forces foolishly sought to conquer the world.

"I particularly mention our Allies because the Italian campaign was so thoroughly representative of the unity of thought and action



that motivated our every move in bringing about the first unconditional surrender of the Nazis in the war.

"It was representative because the Fifth Army and Fifteenth Army Group, which I had the honor to command on the road to ultimate victory, consisted of Americans, British, Canadian, New Zealand, South African, Australians, Brazilian, French, Polish, Indian, Greek, Palestinian, and Italian troops and Partisans.

"Those troops of many races, colors and creeds formed a mighty combination that victoriously battled almost insurmountable odds - tenacious enemy resistance, formidable terrain, and most trying weather conditions - to completely crush the Nazi legions. Never was there, in my opinion, a more striking illustration of the need and presence of international cooperation and understanding.

"I further believe that today, as the peace is being written, the achievements of our truly international fighting force in Italy may well be accepted as an example of what such cooperation and understanding among nations can and must bring about.

"It is so vitally necessary that the nations of the world today share and work toward the same purposeful objective that was constantly in evidence during the long, hard days of the war.

"The peace and freedom for which we fought and for which the gallant men whose memory and deeds we are honoring today died, must be secured. Let us not deviate even momentarily from the same unity of thought and action that guided our efforts to final victory. We must accept that unity as the beacon to light our way to a sound, everlasting peace for all the peoples of the world.

"And so I say in tribute to our comrades who have fallen and who rest in eternal sleep today, your glories and sacrifices will always glow on the pages of history. We, the living, shall not fail in our task to write a peace worthy of the sacrifice you have made."

After the address, both he and Colonel Oxx placed a wreath at the foot of the flag. Following the ceremony, General Clark decorated the graves of Major General Donald W. Brann and Lt. Colonel John Walker. The General returned to the villa for lunch, while Mrs. Clark and Ann went on a short sightseeing trip to Pisa. General Clark was dinner guest of Mr. Carini.

General Clark sent the following message to Joint Chiefs of Staff pass to State Department, Ref. No. P-9098, SECRET:

"Ref is made to my message P-8883 and your WAR 87896. Following is text of letter received by me today from Brigadier Parminter, Chief of UNRRA Mission Austria:

'The purpose of this letter is to bring to your attention certain facts concerning the allocations for coal within the UNRRA budget for Austria.

'The UNRRA Mission to Austria has been advised of a statement made to you by the War Dept. to the effect that the UNRRA program for Austria would cover essential relief and rehabilitation items, including coal. At the same time this Mission is assured that no extra funds will be available for coal above and beyond the present budget.



'This budget has now been tentatively set at a sum of \$91,000,000 to cover the period from the beginning of UNRRA operations in Austria to the close of its program at the end of 1946. As \$59,000,000 out of this total has already been allocated, and a further \$10,000,000 committed, it will be seen that no more than \$22,000,000 are available to meet all UNRRA expenditures of whatever nature for the second half of the present calendar year.

'I regret that my advices are not clear concerning the precise intent of the War Dept's cable to you. As you will recall that the \$59,000,000 budget for UNRRA operations up to 30 June 1946 included only \$2,000,000 for the procurement of fuels, it is obvious that as to coal even the minimum relief needs of Austria are in no sense met by the UNRRA program.

'Likewise, I need hardly assure you of the serious implications which I must draw from the inferences to be read in my advices from Washington that coal I procured by the United States Forces in Austria should be taken over by UNRRA as a part of the relief program. Inasmuch as the other Elements of the Allied Council for Austria have not to my knowledge been approached in this matter, or notified of any proposed cessation of military coal shipments, the effect of an UNRRA purchase of coal procured for the U.S. Zone would necessarily be either to subsidize with UNRRA funds the hard fuel procurement of a single zone at the expense of the rest of the country or, in the alternative, to distribute coal equally throughout Austria, with a proportionate failure to meet the needs of the American zone.

'Since UNRRA H.Q. in Washington seems to assume that you would procure coal for UNRRA on such a reimbursable basis, I have dispatched a cable to bring forcefully to their attention the fact that no alternative in the UNRRA fuel program for Austria could be made without the approval of the Austrian Government and the Allied Council. In addition, I have expressed therein my view that the remaining \$22,000,000 of the tentative budget for the second half of the calendar year 1946 is insufficient to cover even basic food requirements, and that the allocation of any funds within that sum for the procurement of coal is not to be considered. I have therefore stated my opinion that the very limited nature of the UNRRA relief and rehabilitation program for Austria (which in its present form can in fact only be supplemental to the overall economic responsibility of the Allied Council) necessarily precludes our importing into Austria the total relief needs of the country apart from food. I have also assured them that the Allied Council is party to this understanding.

'As I have advised Washington that I am taking no action until I receive further instructions, I should be grateful to receive your views concerning this position.'

"I am withholding reply to Parminter until after I receive reply to my P-8883."

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FLORENCE, MAY 31, 1946: The General had breakfast on the front porch at 1000 hours and after posing for the artist and sculptor for one hour went to the Platzo Vecchio where he and Mrs. Clark and Ann signed the Golden Book of Florence. After the ceremony the General was luncheon guest of Mrs. Myron C. Taylor at her villa and later in the afternoon he called on Mr. Berenson.

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FLORENCE, JUNE 1 1946: After breakfast General Clark prepared for a motor trip to Rome. He posed for one hour for the sculptor and left for Rome at 1100 hours. At 1300 hours the General's party stopped for a picnic lunch along the countryside. Arriving in Rome, the General went directly to the Hotel Excelsior and remained there throughout the evening.

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ROME, JUNE 2, 1946: Since this was election day, the General felt it advisable not to go around much in the streets. He and his family had a private audience with the Holy Father at 1200 hours. Arrangements for the audience were made by Mr. Gowan, who had lunch with the General at the hotel at 1400 hours. In the afternoon the General and Mrs. Clark took a short drive to some of the places of interest.

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ROME, JUNE 3, 1946: In the morning the General visited Vatican City, noting particularly the recent excavations there. He returned to the hotel for lunch after which he went shopping for a couple of hours. The rest of the day was spent sightseeing, and the evening was spent at the hotel.

Brigadier R.H.R. Parminter, Chief of UNRRA Mission to Austria, sent the following letter to General Clark:

"I have received a cable from the Director General of UNRRA, Mr. F. Laguardia, in which he asks me to convey to you his warmest appreciation of your most cooperative and helpful action in loaning to UNRRA the 17,193 tons of foodstuffs so that the rations for June in Austria could be maintained at a reasonable level.

"I should like very much to add my own most grateful thanks for this most opportune aid."

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ROME, JUNE 4, 1946: The General learned that General McMahon and Colonel Paxson were flying down from Vienna on some very important business. They arrived at 1730 hours and conferred with him immediately. The General was late to the cocktail party given by Colonel Dasher at his home in honor of the General from 1800 to 2000 hours. After the party the General and his family were dinner guests of the British Ambassador to Italy, N. H. H. Charles, Bart., KCMG, MC.



General Tate sent the following letter to Col. General L. V. Kurasov, Soviet Deputy Commander, on behalf of General Clark:

"It was for me a sad surprise to learn this morning of the decease of the great statesman of the Soviet Union, President Kalinin. We had all become accustomed to regard him for so many years as a symbol of the greatness and progress of the great nation which you represent.

"On behalf of General Clark, who is absent from Vienna, I wish to extend to you my sincere condolence upon this loss, and to assure you again of my personal friendship in our joint efforts here and of my sincere good wishes for the continued progress of your country".

\* \* \* \*

ROME, JUNE 5, 1946: After an early breakfast, the General left Rome at 0930 hours for Capri. He motored by way of Cassino and arrived at Caserta at 1230 hours where he was luncheon guest of Lt. General H. C. Lee. General Morgan, Supreme Allied Commander of AFHQ, also attended the luncheon. Following the luncheon, the General went directly to the docks in Naples where the crash boat was waiting to take him to the Isle of Capri. He arrived at the Isle at 1730 hours and went to the Villa Unghia Marina where he settled down for a week's rest.

\* \* \* \*

CAPRI, JUNE 6, 1946: The General slept late and had breakfast at 1000 hours, after a swim in the Mediterranean. He went fishing for a couple of hours and then returned to the villa for lunch. In the afternoon he drove up to Anacapri with Mrs. Clark and Ann. The evening was spent quietly at home.

J. H. Richter of the Department of Agriculture sent the following letter to General Clark:

"It gives me great pleasure to inform you that the official request by the Secretary of War to the Secretary of Agriculture asking for my services as adviser assigned to USACA has been received today.

"My Department has consented to my transfer. At the same time, I am informed, the War Department's request for the services of Mrs. Richter has also gone forward. Our cases will be processed without delay, and it is estimated that we shall be leaving for Vienna early in July. I have kept Major General Gruenther informed of developments.

"We are looking forward with great interest and much pleasure to our assignments with USACA and hope to contribute our share in helping carry the workload at your Headquarters.

"I should like to express my deep and sincere appreciation of your confidence which I shall endeavor to justify to the best of my ability."

\* \* \* \*



CAPRI, JUNE 7, 1946: After breakfast the General hiked up to Anacapri with Colonel Sullivan. Mrs. Clark and the remainder of the party joined him later when they visited the museum home of Dr. Alex Munthe. They had lunch at the local restaurant after which the General walked back to the villa where he spent the remainder of the day.

\* \* \* \*

CAPRI, JUNE 8, 1946: After breakfast, the General left Capri for Sorrento by crash boat for a ceremony at 1000 hours. The purpose of the ceremony was to confer an honorary citizenship of Sorrento on him. After the ceremony he and his party drove to Ravello for lunch. After lunch they continued on to Salerno for a short ceremony there. This ceremony was to inform the General that an honorary citizenship of Salerno would be conferred upon him on Salerno Day, which is September 9. The crash boat was waiting at the docks of Salerno to take him and his party back to Capri. There he had dinner at his villa and spent a quiet evening at home.

Colonel General Kurasov, Soviet Element, sent the following letter to General Clark:

"The road Vienna-Tulln along the Danube River is excessively overloaded with Soviet and Austrian transport. Additional traffic on this road will make it impossible to maintain the necessary regulations to avoid accidents and casualties which have already repeatedly taken place on this part of the road.

"Therefore, I regret that I find it impossible to permit traffic of American transport on this road.

"I presume that the Vienna-Purkersdorf-Ried-Tulln road, which was placed at your disposal not so long ago, and which does not exceed in length the road for which you are now asking, will fully take care of American transport."

Colonel General Kurasov, Soviet Element, sent the following letter to General Clark:

"The information received by you concerning the accounts of the Soviet Oil Management with the firms controlled by it, which are in the Soviet Zone of occupation, does not quite correctly clear up the true situation.

"All accounts of oil enterprises have already been paid for on time by the Soviet Oil Management. With the aim of financing uninterruptedly the factories and businesses, it was suggested they present their financial information. The majority of the firms fulfilled this suggestion, and accounts with them are being settled normally. However, the firms "Vacuum Oil Company", "Rohoelgewinnung" and "Oesterreichische Mineraloelwerke" have not presented information and have refused to present it. For this reason, the question remains open concerning the progress of liquidation of indebtedness, which amounts to 5,044,000 Schillings.

"In deference to American interests, I am ready to have the payments take place, in order to liquidate the debts indicated and



I have given instructions concerning this to the Soviet Oil Management in Austria.

"In line with this, I ask you to give instructions to the manager of the aforementioned firms, Mr. Griffa, on the timely reporting of financial information to the Soviet Oil Management in Austria.

"As far as the unpaid accounts presented in July 1945 are concerned, this does not meet with the facts, because up until April 1946 payments were met without delay, and partial payment operations, in view of temporary financial difficulties, concern only the month of April 1946."

\* \* \* \*

CAPRI, JUNE 9, 1946: The General arose early and after breakfast prepared for his return to Vienna. He left Capri at 0930 hours and arrived at Naples at 1015 hours. After a short time spent shopping, he had lunch at Giacomino's apartment. After lunch he went to Capodicino from where Colonel Moore piloted him back to Vienna in his B-17, arriving at approximately 1800 hours. He had dinner at his villa and remained there throughout the evening.

\* \* \* \*



VIENNA-JUNE 10, 1946: General Clark arrived at his office at 0845 hours and immediately saw General Tate and later Colonel Grogan. After working on several important documents General Clark again conferred with General Tate and called Mr. Erhardt in on the conference. At 1130 hours General Lewis saw General Clark with General McMahon and Colonel Martin on personnel problems. After conferring again with General Tate, General Clark had lunch at the CG Mess in the Bank Building and shortly after lunch went to his villa where he remained the balance of the afternoon.

General Clark sent the following message to General Gruenther (Personal CG-061001, Unclassified):

"Your message received. I have no suggestions to offer. Am pleased that you will attend. Thanks for your continued assistance."

USFET signed McNarney sent the following message to USFA:AGWAR (S-2716 SECRET):

"Refer to our S-2114 19 April. Had we acted on a strictly American interpretation of citizenship all subject Soviets would have been released. However in order to determine whether an individual was a citizen as intended by your WX-89544 20 Dec 1945, 3 tests of citizenships rights were given as follows:

- A. Right to bear arms;
- B. Right to vote in free elections;
- C. The right to hold public office.

"Several hundred individuals who were in the Soviet Union on 1 September 1939 have not been repatriated because our boards determined under tests enumerated above that they were not citizens.

"These category as follows:

"A. KULAKS. Those who because they opposed collectivization of their property were denied one or more of rights enumerated above.

"B. WHITE RUSSIANS those who actively opposed or fought against the party in the 1917 revolution, and who consequently were denied one or more of the rights above.

"C. DISSENTERS. Those who because of their active participation against the regime were denied one or more to the above rights.

"Each category includes personnel in some one or more of the following sub groups:

"A. Persons who served in the Soviet Armed Forces, but who were not captured in German uniform.

"B. Persons who never served in the Soviet Armed Forces but who were captured in German uniform. Persons who served in the Soviet Armed Forces and who were captured in German uniforms.

"Each major group likewise includes minors under 18 years.

"Continued custody of this personnel imposes great difficulties on our forces and the passage of time is not likely to clarify the situation further. Therefore urgently request that your directive, as asked S-2114, 19 April, be forthcoming immediately. (Action personal for General Clark)"



General Clark sent the following letter to Bernhard Altmann, 1451 Broadway, New York City:

"Your letter of 17 May 1946 was received by me with interest.

"I am informed that your project of operating and expanding the factory Wiener Wollwarenwerke has the attention of the appropriate Ministries of the Austrian government, the United States Consulate and appropriate staff sections of my headquarters.

"No difficulties are expected to arise in connection with the arrival in Austria of the raw material and food mentioned in your letter. However, in the event of such difficulties they will receive prompt attention.

"Both the operation of your plant and the feeding of your employees must conform with the provisions of Austrian law. For instance, the food for your employees must be incorporated in the food rationing program for Austria as a whole and its distribution will therefore be subject to the authorized ration scales. This will entail the negotiation of details by you or your representatives with the appropriate Austrian Trade, Industry and Food authorities. I assume that you have already taken steps to initiate such liaison.

"Thank you for calling your interesting project to my attention. I am sure it will be of substantial aid in the reconstruction of Austria."

USFET signed McNarney sent the following message to ACWAR, info to ....USFA (S-2114, SECRET):

"Your WX 89544, 20 Dec 1945 in certain instances requires forceable repatriation of "Persons who were both citizens of and actually within the Soviet Union on 1 Sept 1939". Repatriation Boards, having had recourse only to American law and procedures in absence of any other, decided against repatriation of several hundred cases on basis the individuals were not citizens, having been denied one or more of such rights of citizenship as the right to vote, to bear arms, etc. or having been members of persecuted groups, etc. Urgently request legal opinion as to whether such loss or deprivation of any single right of citizenship as recounted herein or otherwise is considered deprivation of citizenship. Thus rendering the individual nonrepatriable by force. Request expedited reply as it is desirable to discharge at earliest opportunity those finally determined to nonrepatriable. Action Personal for General Clark."

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VIENNA-JUNE 11, 1946: General Clark arrived at his office at 0915 hours and after working on correspondence saw General Tate at 1000 hours. At 1030 hours Sam Lubell, who has published articles for the Saturday Evening Post, interviewed the General, after which Colonel Grogan talked with the General. Mr. Jack Bell, Chicago News war correspondent, interviewed General Clark at 1145 hours. Just before lunch, General McMahon and Colonel McLean discussed three court martial cases with the General, after which the General had lunch in the CG Mess. At 1400 hours, General Clark decorated Corporal Burney, one of the CG Drivers, with the Commendation Medal, and after a conference with General McMahon left his office



for his villa.

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VIENNA-JUNE 12, 1946: General Clark arrived at his office at 0900 hours and at 1000 hours saw Colonel Smith of the Labor Division, who briefed the General on a conference to be held with Irving J. Brown, representative of the AF of L in Europe. General Clark held an hour's interview with Mr. Brown at 1030 hours. At 1145 hours General Clark conferred with General McMahon and after working on several official papers the General left his Headquarters with Mrs. Clark and Ann and General and Mrs. Tate to go to General Bethouart's villa for lunch. General Steele, British Commander, and General and Mrs. Winterton were also guests. General Clark left General Bethouart at 1500 hours and went immediately to his villa where he spent the afternoon. In the evening, General Clark with Mrs. Clark and Ann had dinner at the McMahons.

General Clark sent the following message to Joint Chiefs of Staff, information to USFET, Military Attache Moscow, Ref. No. P-9755 SECRET:

"At 0815 today four Soviet fighter aircraft and one fighter towing a sleeve target held target practice over Tulln airfield. Each plane fired two or three bursts. One plane dove over the radio tower and fired a burst in the direction of the tower. No damage reported. Target practice took place directly over airfield at altitude between 1500 to 2000 feet.

"Also at 1105 today eight Soviet fighters appeared over Tulln airfield with another fighter towing a target. Several bursts were fired at the towed target while over the airfield. No damage reported.

"I immediately protested these incidents to Soviet Commander General Kurasov who assured me he had no knowledge of the incidents or the reasons for them, but would order an immediate investigation."

\* \* \* \*

VIENNA-JUNE 13, 1946: General Clark arrived at his office at 0915 hours and immediately conferred with General Tate, who was followed by General McMahon. At 1000 hours General Tate and Mr. Erhardt held a conference with the General and were followed by General Warner McCabe, who bid goodbye to the General as he is leaving for the States to retire. At 1030 hours General Clark talked with Colonel Grogan and later with Colonel Rich, chief surgeon, on his personal health. After a conference with General Tate, General Clark saw Colonel Burrill on the dependent setup at 1225 hours. General Clark had lunch in the Bank Building after which he worked on accumulated correspondence and at 1500 hours left his office for his villa. In the evening the General with Mrs. Clark and Ann had dinner at the home of Colonel and Mrs. Howard.

General Clark sent the following message to Joint Chiefs of Staff, pass to State Department, info to American Embassy, Paris for DELSEC, Ref. No. P-XV-418 SECRET:



"Soviet Commander informed me late today in writing he is ready to sign new control machinery agreement for Austria. British Commander is likewise ready to sign agreement, French Commander has received no repeat no instructions, but expects to receive instructions momentarily. I plan to inform AC at meeting 14 June scheduled to start 1100 hours that US has circulated treaty and is anxious to reach final agreement which would make new control machinery agreement unnecessary, and that no action on agreement will be taken by US until attitude of other powers on treaty is determined.

"This is furnished for your information."

General Clark sent the following message to Joint Chiefs of Staff pass to Secretary of State, info to American Embassy, Paris for Dunn, Ref. No. P-9845 CONFIDENTIAL:

"Reference our P-9719 from Clark to JCS pass to SECSTATE. The following revised information has been furnished by Austrian Government as of 12 June. Paragraph one, second phase of purge, substitute the following: to 12 June the following results have been reported: a total of 19,384 individuals have been dismissed, of whom 3,152 were removed from banks, insurance companies and private business in Vienna; 1,396 from savings banks throughout Austria; 1,781 from insurance companies throughout Austria; from private business, 340 in Burgenland, 700 in Lower Austria, 350 in Upper Austria, 800 in Salzburg, 8,815 in Styria, 1,100 in Carinthia, 800 in Tyrol and 150 in Vorarlberg."

\* \* \* \*

VIENNA-JUNE 14, 1946: General Clark arrived at his office at 0845 hours and immediately conferred with General McMahon. At 0915 hours General Clark saw General Tate on the agenda for the AC meeting today, and called in Colonel Deutsch of Legal Division to discuss a point in the Austrian law. General Clark left his office at 1030 hours to go to the Allied Council meeting which lasted until 1300 hours. He returned to Headquarters where he had lunch and then went to his villa where he was joined by General and Mrs. McMahon and Mrs. Clark and Ann, and departed by car for his lodge at Hinterstoder. The party arrived at 2000 hours and General Clark immediately went fishing. After dinner the General retired early.

General Tate sent the following message to General Gruenther Ref. No. T-061401:

"Unclassified. Genl Poole who commanded South African Division expected to visit Washington for few days about 17 June. General Clark has given him your office address."

General Clark sent the following message to General Gruenther Personal CG-061401 CONFIDENTIAL:



"Do not repeat not desire story to be published by the Infantry Journal."

General Clark received the following letter from Lt. General J.S. Steele, Commander-in-Chief of British Forces in Austria:

"I was very pleased and deeply touched to receive your letter on the occasion of the birthday of His Majesty, King George. On behalf of all of us in Austria, I send you my warmest thanks for the generous sentiments you have expressed, which, I assure you, we have received with the utmost appreciation.

"Although I have been here but a short time, I have seen enough to realize the full significance of our work together. We are very sensible that this work could not be successful without the great contribution which you and our other American friends have made. Your work in Austria is a magnificent example of the great constructive labours which the United States are undertaking not only in Europe but throughout the world.

"I look forward with great pleasure to the future in the certain knowledge that our friendship and cooperation is assured.

Yours sincerely"

General Clark sent the following message to Colonel General L.V. Kurasov, Deputy Commanding General, Soviet Element, Austria:

"I wish to thank you for your letter of 8 June 1946, No. 1113, from which I am pleased to note that you have given instructions to the Soviet Mineral Oil Administration in Austria to make payments to the firms "Vacuum Oil Company", "Rohoelgewinnungs A.G.", and "Oesterreichische Mineraloelwerke" for current and past deliveries of crude oil and finished petroleum products made by these three companies. I thank you for the prompt and effective attention which you kindly accorded my letter of 13 May 1946 regarding them.

"With respect to the differences between the figures in our letters, I trust this does not represent any real differences, since there has never been any question about invoices between the Soviet Mineral Oil Administration and the companies, but is probably due to some differences in the basis on which our respective figures were compiled, such as different key dates. However, to clarify the figures, if desired, I attach a summary statement of the amounts reported outstanding as of 1 June (these naturally differ from the figure in my original letter of 13 May 1946 which was based on an earlier status report, and from the figure in your letter of 8 June, which I assume was based on a report of some intermediate date.

"I have noted the interest of the Soviet Mineral Oil Administration in learning the financing data of the companies in question, but am unable to see any real reason why such data should be necessary, or any connection between such data and the amount of invoices for products delivered, since these invoices are computed simply on the basis of



quantities and qualities of products delivered at the standard official prices duly fixed for all such products.

"I trust this exchange of letters between us will result from now on in prompt payments for deliveries of oil and its products."

General Clark sent the following message to Joint Chiefs of Staff, Pass to State Department, info to Embassy, Paris for Delsec, Ref. No. P-9882, SECRET:

"At Allied Council meeting today no significant items on agenda. General Kurasov represented Marshal Konev. Soviet and British representatives stated they had been authorized by respective governments to sign new control machinery agreement. French representative stated his Government desired certain minor changes in Article 5. I made statement as outlined last paragraph message WAR-90969. Paper was referred back to Executive Committee to consider French amendments at its next meeting 21 June. Kurasov asked me if I would have authorization to sign by next AC meeting. I made no commitment in reply.

"Council approved (1) basic principles for an Austrian wage policy; (2) a proposal for control of coal and electric power; (3) a proposal authorizing Austrian government to undertake trade negotiations with Rumania and Switzerland.

"No agreement was reached on approval of Foreign Trade Law due to Soviet insistence that law not repeat not be extended to quote goods or property of nationals of the occupying powers or to goods of the Allied Governments in occupation unquote. This law was referred back to Executive Committee."

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HINTERSTODER, JUNE 15, 1946: General Clark left his hunting lodge at 0800 hours and spent the day fishing until he was called back to Vienna by General Tate at 1300 hours. General Clark left his lodge by Cub plane and landed at Vienna at 1400 hours. Several top secret messages had arrived during the day which necessitated General Clark's return. He immediately went into conference with Generals Tate, McMahon and Collins, General Collins having arrived from Salzburg. Later he conferred with General Lewis, Colonel Paxson and Lt. Colonel Hoyne of G-2. General Clark later conferred with Major Oswalt and Captain Luther on plans which would take place in case of emergency. The General left his office at 1900 hours and had dinner at his villa where he retired early.

General Clark received the following message from General Poole:

"SECRET. One. Many thanks. Am proposing to visit States for few days about 17 June. Two. Field Marshal Smuts has had to change his plans and now greatly regrets will not be able to visit you."

\* \* \* \*

VIENNA, JUNE 16, 1946: General Clark spent this morning at his villa. He conferred with General Tate and later with General Snaveley on the plans for the reception of the Pan-American party which will arrive in



Vienna later this evening on the first direct flight from New York to Vienna. General Clark had lunch with Bill Clark and in the afternoon rested. Mrs. Clark and Ann arrived from Hinterstoder at 1600 hours. At 1930 hours General and Mrs. Clark gave a buffet supper for the Pan-American officials which included Mr. Juan Trippe, president of Pan-American Airways, Mr. Robert Cummings, Vice President, and Mr. David Ingalls, Vice President.

General Clark sent the following message to USFET personal for McNarney, Ref. No. P-9932, SECRET:

"On 13 June 170 Jewish refugees enroute to Munich from Salzburg were removed from train at Freilassing Bavaria by 9th Infantry Division border guards and forced to return to Salzburg. This action is contrary to instructions contained in March WARX 81839. You know my situation here. The influx of these refugees has increased and there must be some outflow. Will you please straighten this out?"

The following message was received from WAR to.....USFA for General Clark, Ref. No. WARX 91471, SECRET:

"The following received from State, War and Navy Dept. is in reply to OMGUS message CC 1929, 23 March 1946, and CG USFA message P-5687, 31 March 1946. This message is in 2 parts:

"Part I. 1. After thorough reconsideration it is concluded that WARX 99226 Directive as previously amended by WARX 86853, WARX 82436 and as further amended in Part II below accords with desirable foreign policy. Implementation of WARX 99226 should therefore be immediately undertaken.

"2. Problems presented your cables March CC 1929 and P-5687 considered in formulation of WARX 99226. From the beginning it was decided that restitution would not be made of property removed during the period of a country's collaboration with Germany. It was agreed that property could have been looted only during the period of forcible occupation of Germany. The legal aspect considered was whether to legitimize or nullify German looting operations. The decision was made that Germany should not gain from illegal acts at the expense of her victims. The looting acts violated the principles of January 1943 United Nations declaration and traditional U.S. property principles.

"3. The U.S. has undertaken Economic and Political responsibilities with regard to Italy, Austria and to a lesser extent Hungary. U.S. economic burdens in this connection are reduced through restitutions of economic resources without corresponding increase of economic burden in Germany. In addition restitution improves the political stability of U.S. relations with these governments. Information indicates that anti-U.S. elements in these countries are making capital from the U.S. failure to restore property looted by the Germans after the break of these satellite governments with Germany. Particularly is this true of the Communist Party in Hungary; they cite non-restitution as an indication of lack of interest on the part of Western democracies.



"4. Believed here that the other occupying powers will favor the somewhat restricted restitution policy in WARX 99226 inasmuch as France has most urgently pressed for the general principle of restitution, U.S. has supported her view, and USSR has recently presented a note to the U.S. minister requesting and recommending restitution to Hungary.

"5. Not anticipated here that restitution contemplated under WARX 99226 will significantly affect minimum allowed economies of Germany and Austria.

"Part II. 6. Directive in WARX 99226 provides among other things for restitution to the Hungarian Government of property removed from Hungary to Germany and Austria after January 20 1945. It has recently come to the attention of the State Department that some of the removals to Austria consisted of personal property carried by refugee Jewish owners some of whom are now DPs who will not return to Hungary but will stay in Austria or go elsewhere.

"7. The purpose of WARX 99226 directive is to restore property looted by German forces and their Fascist allies to the countries of origin. It was not intended to dispossess racial or religious refugees.

"8. Para 6 of WARX 99226 is therefore amended by adding the following sentence thereto:

"Household goods, valuables, art objects and other personal property owned and removed from a country by refugees who left the country for religious or racial reasons and who choose not to return to that country, will not be subject to restitution."

\* \* \* \*

VIENNA, JUNE 17, 1946: General Clark arrived at his office at 0910 hours. After conferring with General Tate, General Clark held a conference with General McMahon. He called Colonel Deutsch to his office to be briefed on points in the Austrian law concerning Jewish restitution, after which he worked for a long time on official correspondence. Later, he again conferred with General Tate on some top secret cables which arrived and then saw Mr. Ware Adams of State Department. General Clark had lunch with Mrs. Clark at the villa where he spent the afternoon. In the evening, with Mrs. Clark and Ann, the General had dinner with Colonel and Mrs. C. C. Smith.

The following letter was sent to Lt. General S. I. Morozov, Chief of Staff, Soviet Forces in Austria, by General McMahon, USA Chief of Staff:

"The request of Lt. Col. Korkishko and his party for transit privileges through the United States Zone from Enns to Linz is returned without action at this time. General Clark will be very glad to approve it as soon as the River Road from Vienna to Tulln Airport by way of Klosterneuberg is reopened to United States traffic."

General Clark sent the following congratulatory message to Lt. General J. S. Steele, British Forces Austria:



"Please accept my sincere congratulations upon the new honor that has come to you from your Government in the award of Knight Commander of the Order of the British Empire."

General Clark sent the following congratulatory message to Major General T.J.W. Winterton, Deputy Commander-in-Chief, British Forces Austria:

"May I offer my congratulations to you on the occasion of the inclusion of your name in the Birthday Honours List as a Commander of the Order of the British Empire. The Honor is well deserved."

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VIENNA, JUNE 18, 1946: General Clark arrived at his office at 0915 hours and after conferring with General Tate, conferred with Mr. Erhardt for a long time. Lt. Colonel Kretzmann was called in on a conference concerning his G-2 bulletin. Later General Clark saw General Tate with reference to the conference concerning the Peace Treaty for Austria which was to be held later in the morning. General Clark worked on official correspondence until 1030 hours at which time he conferred with General Tate, Mr. Erhardt, Mr. Mellen and Mr. Adams on the draft treaty being proposed for Austria at the Peace Conference. The conference lasted until 1210 hours. General Clark conferred with General Lewis at 1215 hours on the subject of requisitioning radios and other articles from Austrian people. Captain Flower of the Real Estate Office was called in to give details on this subject. John MacCormac, war correspondent of New York Times, saw General Clark at 1230 hours after which the General left the office to go to his villa for lunch with Mrs. Clark. In the evening General and Mrs. Clark visited Kahlenberg and vicinity and later had dinner at the villa.

General Clark sent the following message to USFET for Rabbi Phillip S. Bernstein, Ref. No. P-0010, Unclassified:

"Thank you for your telegram and letter concerning the Austrian restitution law. Letter reached me 17 June. This law has not yet been introduced in the Austrian Parliament, but is still being studied. Among suggestions under consideration are those made by World Jewish Congress previously submitted to us. A law providing for nullity of transfers of property in Austria during the Nazi regime has recently been enacted by Parliament. This and other related laws are now in process of consideration for approval by the Allied Council. Administrative difficulties have slowed enactment and approval of Austrian legislative program for restitution. I am doing all possible to eliminate these difficulties and believe I have made substantial progress. I shall be glad to see you here at any time, and to discuss these problems with you fully."

\* \* \* \*



VIENNA, JUNE 19, 1946: General Clark arrived at his office at 0900 hours and saw General Tate, who was followed by General McMahon. He next conferred with General Tate again, who brought in at 1015 hours Colonel Owens, who talked with the General on Austrian restitutions, and was followed by Colonel Connor, who is an authority on the Yugoslav situation. At 1030 hours General Clark, accompanied by Captain Luther went to Schönbrunn Palace where he was met by General Steele. After a few minutes' conference, General Clark accompanied General Steele to another part of Schönbrunn where he decorated five British officers as follows:

Brigadier William A. Scott, Legion of Merit (Cmdr)  
Major General Charles D. Packard, Legion of Merit (Off)  
Brigadier Roy G. Thurburn, Legion of Merit (Off)  
Colonel Peter D. Miller, Bronze Star Medal  
Lt. Colonel Ralph A. Turton, Bronze Star Medal

General Clark returned to his Headquarters after the ceremony and saw Mr. Pesko, war correspondent, for an interview at which time he gave him the general overall picture of Austria. Later he conferred with Colonel Kretzmann, Mr. Erhardt and General Tate after which he had lunch. After talking with Colonel Paxson and General McMahon, General Clark went to his villa where he spent the rest of the day.

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VIENNA, JUNE 20, 1946: General Clark arrived at his office at 0915 hours and immediately saw General Tate for a long conference. Later he conferred with Colonel Grogan and then again with General Tate, who was followed by General McMahon. The General left his office at 1045 hours when he packed and departed for the cub strip. He took off at 1200 hours for Hinterstoder, accompanied by Captain Jordan. He spent the afternoon fishing. Mrs. Clark, Ann and Captain Luther left Vienna on the Mozart in the General's private car and will arrive at Wells the next morning.

The General received the following message from General Gruenther dated June 19 1946 and received this day: (Ref. No. SVC U-100-Un-classified):

"Your confirmation was recommended unanimously by Senate Military Affairs Committee today. Expect it will be confirmed by Senate in few days. We are all delighted."

The General sent the following telegram to Matthew Woll, Chairman of Free Trade Union Committee, AFof L, New York, New York :

"Reurtel 17 June regarding refusal of Soviet authorities to permit Mr. Irving Brown to visit their zone I deplore this refusal by Soviets as much as you do. A strong letter of protest has been sent



to the Soviet Headquarters. The question of removing zonal boundaries in Austria has been under discussion by the Allied Council for some time. The American view has always been that such barriers should be eliminated."

Mr. Erhardt send the following message to SECSTATE, No. 872, SECRET, paraphrase:

"Replying to the next to the last paragraph of the State Dept's 514 of May 24 requesting suggestions concerning US aid in the economic reconstruction of Austria, it is clear that the most important aid which the US alone could properly extend would be credits for the immediate purchase in the US of raw materials and urgently needed equipment until Austria becomes a member of the Intl Bank and Fund. (Ref Genl Clark's P-9846 of June 13 on an Austrian request for US cotton on credit, and my 767 of May 29 on the Creditanstalt's request for a credit of \$25,000,000 from the Export-Import Bank. Additional requests for Export-Import Bank credit are being prepared by the Austrian ministries; the amount involved might be \$25,000,000 more for use in a six-months' period or \$75,000,000 more in a twelve-months' period.)

"The question raises major political issues. The Communist newspapers in Vienna have been putting pressure on the Austrian Govt to negotiate a long-term trade agreement with Russia and to set up joint Austrian-Soviet corporations for Danube shipping, oil, and perhaps other key industries as well. A trade agreement with the USSR is now advocated also by the Socialists, including Waldbrunner in Moscow. Russia is probably willing to promise substantial assistance in the form of raw materials and food in return for acceptance of the Soviet terms by Austria. Unless substantial United States credits are forthcoming, the Austrian Government or a successor government with a larger representation of the Communist Party, may have no practical alternative but to meet the demands of the USSR. I concur heartily in the view expressed in the State Dept's 514 that if the U.S. is prepared to extend concrete assistance it should do so or at least give convincing evidence of its intentions before Austria's relations with Russia fall into a pattern, bound to last some years, of exclusive economic association. This may occur at any time in view of the present critical economic and political situation.

"Since present Austrian stocks of raw materials are approaching exhaustion and equipment is wearing out daily, a prompt decision on the principle of granting US credits is needed for economic reasons also. Only a negligible provision for industrial and agricultural rehabilitation and for coal is included in the UNRRA program.

"Austrian economic reconstruction now depends primarily on increased supplies of food. Likewise political independence because on 1200 calories or less people care more about food than liberty. In the case of food, US assistance can take the form of strong support for an adequate UNRRA program and pressure for effective implementation. UNRRA's present tentative \$91,000,000 program, even though devoted almost entirely to food, and even if carried out on schedule, is not adequate to prevent widespread distress. Further-



more, the effective implementation of this inadequate program is not assured as yet. If the reported diversion to Italy of a 17,000 ton wheat shipment destined for Austria should take place it would have disastrous nutritional and political consequences. This week brief scattered strikes involving several thousand workers have begun to occur in Vienna as a protest against the food situation. Addl scattered strikes are expected, and the possibility of a general strike continues to threaten. Disillusionment with the western democracies has resulted from the inadequacy of the UNRRA relief program to date.

"I trust the State Dept is making every effort to obtain an increase in UNRRA's program for Austria and effective execution of it. It will also be appreciated if the State Dept could obtain clarification of the responsibilities of UNRRA and the War Dept. The latter has terminated its responsibility for civilian supplies for Austria and its responsibility for preventing disease and unrest. (See WARX 85514, Apr 24 and 87896, 14 May.) UNRRA however has assumed responsibility only for the items within its program and to the extent of its funds. Therefore, it appears that no agency is responsible for assuring Austria's minimum requirements of coal, and the other relief and rehabilitation supplies which are essential to the long-term US objectives in Austria.

"While much less important than credits and the UNRRA program, various measures lying within the power of the US element of the Allied Commission are being taken in Vienna to facilitate the economic reconstruction of Austria. Such measures include pressing for quadripartite approval of (a) provisional exchange rates, (b) instructions to the Austrian Government requiring more vigorous measures of food collection, (c) arrangements for obtaining from Germany minimum essential imports, (d) trade arrangements with other countries, and (e) Austrian membership in international organizations. Such measures also include, in the US zone, arranging for the sale to Austrians for Schillings of CEM, chiefly vehicles.

"We are keeping in view long-range measures for economic development in Austria, including cooperative projects for the development of the whole Danube Basin under UN auspices, but until the present emergency is past and political factors become more clear no planning for such matters can usefully be undertaken."

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HINTERSTODER, JUNE 21, 1946: General Clark left his lodge at 1000 hours and spent the entire day fishing. In the evening he went hunting and shot a buck deer. Mrs. Clark and Ann drove from Wels and joined the General at the lodge.

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