

France was generally regarded as illustrative of the problems for which a combined policy was required. The U.K. side introduced into the discussion at an early stage a report which had been received on December 30 from the U.K. Ambassador in Paris reporting an interview with M. Alphand the French Director General of Economic Affairs. In this interview M. Alphand expressed the view that France was heading rapidly towards a major crisis. He reported that General de Gaulle and the Minister for Foreign Affairs considered the provision of shipping for imports and the improvement of inland transport facilities as the most urgent of all matters now before the Provisional Government. It was General de Gaulle's opinion not only that the war was not yet near its end but also that there would be a long period of guerrilla warfare in Germany even after a substantial proportion of that country had been occupied. M. Alphand reported that the French Government therefore regarded the early restoration of a reasonable ration standard and resumption of a minimum of industrial production in France as of vital military importance to the Allies. He added that the Minister of Foreign Affairs was preparing communications to the U.S. and U.K. Ambassadors on these questions. The U.K. Ambassador supplemented his report on this interview with remarks (based on reports received recently, and on investigations conducted early in November by the U.K. economic representatives in France) expressing his confidence that the position had been accurately described by M. Alphand. The U.K. Ambassador concluded that the lack of raw materials with the consequent increase in unemployment at the moment when rations and heating are sorely deficient is bound to create discontent and render the task of the Provisional Government more difficult during the period requiring maximum war effort. In the discussion of this message Mr. McCloy and Mr. Law indicated that they had separately conferred with M. Monnet in Washington recently and that they had been given to understand that a firm programme for January, February and March was required. M. Monnet had indicated that if the French authorities could be told what they could confidently expect for at least one quarter of the year they could make some plans, but short of that they could not plan at all. Although the position of the other liberated areas differed from that of France in some important respects, and although their case had not been presented as forcefully as the French, there was every reason to expect that the conditions developing in their countries would reinforce policy decisions taken on the basis of the position in France.

7. The U.S. War Department argued throughout that the liberated areas must be regarded for shipping purposes as advance military bases and not as colleagues or partners. The representative of the U.K. War Office and other members of the U.K. delegation on the other hand indicated that the War Office had accepted the policy of National civilian import programmes because the prolongation of the war in Europe had made the scope of the military supply responsibility too narrow. Raw material needs now had to be covered as well as the primary needs of food, clothing, fuel, petroleum, soap and medical supplies. In the opinion of the U.K. War Office the problem had now grown to