

Series: What is NATO?

FDR fought to end the British Empire: China and Iran

The Australian Almanac’s “What Is NATO?” series is designed to show how the North Atlantic Treaty Organisation (NATO) and a plethora of kindred institutions, all at the forefront of today’s global showdown with China and Russia that risks touching off nuclear war, were instigated by British pro-Empire elites and their allies within the United States after World War II. Their purpose was to block the policies of President Franklin D. Roosevelt for an end to all empires and for the economic development of sovereign nations worldwide. The opening article of the series, in Australian Almanac Vol. 13, No 14 (AAS of 18 May 2022), reported on the sharp clashes between Roosevelt and British Prime Minister Winston Churchill over the future of the British Empire. The Empire’s private-finance system and geopolitical doctrines had already unleashed two world wars. Roosevelt wanted “American System” public finance (national banking) for tangible economic development, proven viable in his New Deal policies at home, to be used in helping ex-colonial countries. This Almanac and the next one feature the cases of Iran and China, which FDR hoped could demonstrate to the world what could be done.

In relations with both those countries, Roosevelt could not rely on the State Department, which was riddled with Anglophiles; he told his son Elliot that “...those career diplomats aren’t in accord with what they know I think. They should be

working for Winston. As a matter of fact, a lot of the time, they are.” Instead, he chose men he could trust, and in each case the collaborator selected by the Democratic President Roosevelt was, or had started out as, a Republican—a “Lincoln” Republican who shared his outlook: Vice President Henry Wallace to draft a development policy proposal for China, and Gen. Patrick Hurley to do likewise for Iran.

The Irish-born Hurley was a decorated World War I veteran who had served as secretary of war under Republican President Herbert Hoover in 1929-33. Henry Agard Wallace, from Iowa, had worked in agricultural seed science and edited *Wallaces’ Farmer*, the most influential agricultural journal in the Midwest, before becoming secretary of agriculture in FDR’s first two administrations (1933-41). As Vice President, Wallace published in June 1943 a collection of speeches under the title *The Century of the Common Man*—a challenge to media mogul Henry Luce, who had advanced an imperial version of a post-war “American Century”, meaning to make the USA the instrument of an international political-financial alliance that would continue the ways of the British Empire.

These articles from *Executive Intelligence Review* have been excerpted and adapted for the Almanac. The location of the full texts, which have extensive footnotes, is provided for each.

The Hurley memorandum: Freeing Iran from British imperialism

By Anton Chaitkin

Published in EIR, 30 Nov. 2012.

Following the war-time Tehran Conference, 28-30 Nov. 1943, of the “Big Three”—President Franklin Roosevelt, British Prime Minister Winston Churchill, and Soviet Premier Joseph Stalin—FDR circulated a proposal to bring modern conditions to Iran, and thereby free that country from the oppression of the British Empire.¹

The memorandum was drawn up on Roosevelt’s instructions by his personal representative, Gen. Patrick J. Hurley, in December 1943, and has lain in archives, unpublished since it was declassified in the 1970s.

Hurley had made the arrangements for the meeting in Tehran, to agree on plans for completing the World War II victory over the Axis powers. Following the Teheran conference, Roosevelt asked Hurley to compose a report on how the United States could help Iran to overcome its terrible backwardness; how we would then use Iran’s success as the model for how America would aid poor countries everywhere. Hurley travelled through Iran for three weeks, interviewing people of all ranks and conditions. His report condemned British tyranny over Iran, looking forward to an American global showdown with British imperialism in the post-war period.

Roosevelt circulated the Hurley memorandum in the State Department, with a cover letter affirming it as his policy. He was “thrilled with the idea of using Iran as an example of what we could do by an unselfish American policy”, and ending the “bondage” of “99% of the population to the other 1%.”



President Frank Roosevelt and PM Winston Churchill, seen here at Casablanca in 1943, clashed over the post-war future of the world: a continued British Empire, or economic development through American methods? Photo: US National Archives

British Empire supporters at State, led by Dean Acheson, attacked Roosevelt’s proposal, labelling it “hysterical messianic globaloney”.

The President also copied the memo to Churchill, as a mercy form of torture. The fuming Churchill waited three months to reply with outrage over the insult.

Excerpted here are correspondence related to Hurley’s memorandum, and the memorandum itself.

Roosevelt to Secretary of State Hull

Roosevelt sent this memorandum, dated 12 Jan. 1944, to Secretary of State Cordell Hull.

Enclosed is a very interesting letter from Pat Hurley. It is in

general along the lines of my talk with him.

Iran is definitely a very, very backward nation. It consists really of a series of tribes and 99% of the population is, in effect, in bondage to the other 1%. The 99% do not own their own land and cannot keep their own production or convert it into money or property.

I was rather thrilled with the idea of using Iran as an example of what we could do by an unselfish American policy. We could not take on a more difficult nation than Iran. I would like, however, to have a try at it. The real difficulty is to get the right kind of American experts who would be loyal to their ideals, not fight among themselves and be absolutely honest financially.

If we could get this policy started, it would become permanent if it succeeded as we hope during the first five or ten years.

FDR to Churchill (29 Feb. 1944)

The enclosed memorandum was sent to me by Major General Patrick Hurley (former Secretary of War) whom you saw at Teheran.... I rather like his general approach to the care and education of what used to be called "backward countries."...

The point of all this is that I do not want the United States to acquire a "zone of influence"—or any other nation for that matter. Iran certainly needs Trustees. It will take thirty or forty years to eliminate the graft and the feudal system. Until that time comes, Iran may be a headache to you, to Russia and to ourselves.

You will remember that I suggested to Stalin that a free port could be set up at the head of the Persian Gulf, the management of the railroad internationalized, providing a through route for Russia and for the developing areas of Iran herself.

From Churchill's reply (21 May 1944)

Many thanks for letting me see General Hurley's memorandum on Persia, which I am returning to you herewith as requested.

I am sorry to have delayed answering it, but several Departments of State had to be consulted on the points which it raised. The General seems to have some ideas about British imperialism which I confess make me rub my eyes. He makes out, for example, that there is an irrepressible conflict between imperialism and democracy. I make bold, however, to suggest that British imperialism has spread and is spreading democracy more widely than any other system of government since the beginning of time.

As regards Persia, however, I do not think that "British imperialism" enters into the picture....

The memorandum: Hurley to Roosevelt

Gen. Hurley sent this letter from Tehran, 21 Dec. 1943.

Dear Mr. President:

On your departure from Tehran you outlined to me, during our conversation at the airport, a tentative basis for American policy in Iran which might be used as a pattern for our relations with all less favored associate nations. In response to your suggestion and the directive which I received from the Secretary of State, I wish to submit the following for your consideration.

Part I. It is the purpose of the United States to sustain Iran as a free, independent nation and to afford the Iranian people an opportunity to enjoy the rights of man as set forth in the Constitution of the United States and to participate in the fulfillment of the principles of the Atlantic Charter.²

The policy of the United States toward Iran, therefore, is to assist in the creation in Iran of a government based upon the consent of the governed and of a system of free enterprise

which will enable that nation to develop its resources primarily for the benefit of its own people. Iranian resources are adequate to sustain a program to help Iran to help herself. By this program of self-government and well directed self-help Iran can achieve for herself the fulfillment of the principles of justice, freedom of conscience, freedom of the press, freedom of speech, freedom from want, equality of opportunity, and to a degree freedom from fear.

To accomplish the above, the United States will furnish, upon invitation of the Iranian Government, expert advisors in any or all of the fields of government....

[The] [m]odern history of this country shows it to have been dominated by a powerful and greedy minority. The people have also been subjected to foreign exploitation and monopoly. In extending American assistance to the building of an improved society in Iran there must be imposed a sufficient degree of supervision and control over free enterprise and personal aggression to protect the unorganized and inarticulate majority from foreign and domestic monopoly and oppression.

Inauguration in Iran of the American pattern of self-government and free enterprise will be an assurance that proceeds from development of Iranian resources will be directed substantially to the building of schools, hospitals, sanitary systems, transportation and communication systems, irrigation systems and improvement of all facilities contributing to the health, happiness and general welfare of the Iranian people.

This plan of nation building may be improved through our experience in Iran and may become the criterion for the relations of the United States toward all the nations which are now suffering from the evils of greedy minorities, monopolies, aggression and imperialism.

The American people, single-mindedly devoted to independence and liberty, are fighting today not to save the imperialisms of other nations nor to create an imperialism of our own but rather to bestow upon the world the benevolent principles of the Atlantic Charter and the Four Freedoms.

Part II. ... In addition to the obstacles within Iran, the principles of the above formula are in conflict with the principles of imperialism. Free enterprise may also come in conflict with any forced expansion of communism. Advocates of both of these doctrines may resist the proposed spreading of democracy.

In all the nations I have visited, I have been told, usually by British and Americans, that the principles of imperialism already have succumbed to the principles of democracy. From my own observations, however, I must say that if imperialism is dead, it seems very reluctant to lie down.

The imperialisms of Germany, Japan, Italy, France, Belgium, Portugal, and The Netherlands will, we hope, end or be radically revised by this war. British imperialism seems to have acquired a new life. This appearance, however, is illusory. What appears to be a new life of British imperialism is the result of the infusion, into its emaciated form, of the blood of productivity and liberty from a free nation through lend-lease.³ British imperialism is also being defended today by the blood of the soldiers of the most democratic nation on earth.

The names of the imperialistic nations ... indicate the opposition that will be encountered by any effort that has for its purpose the establishment of democracy in nations that are now subjected to the rule of imperialistic nations. We are approaching the irrepressible conflict between world-wide imperialism and world-wide democracy. It is depressing to note how many of our real friends in the world seem to be irrevocably committed to the old order of imperialism.

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When the United States offered a ‘Belt and Road’ to China

By David Shavin

Published in *EIR*, 16 Aug. 2019.

In the summer of 1944, the United States offered a “Belt and Road” policy for the massive economic development of China. The British elite’s immediate response was to attempt a regime-change operation in the United States.

At the time, it was the American policy of President Franklin D. Roosevelt. Vice-President Henry Wallace took the lead in the promotion of America’s policy of ending colonial backwardness throughout the world. In 1940, Roosevelt had forcefully insisted upon then-Secretary of Agriculture Wallace as his new Vice-President. He threatened the reactionary and racist elements in his own Democratic party: If they didn’t submit to Roosevelt’s choice of Wallace, Roosevelt himself would not run for President. FDR needed Wallace on the ticket as a strong advocate of the New Deal economic recovery program, which then-Vice President John Nance Gardner had largely opposed and

undercut; he also knew that America’s entry into the War was inevitable, and he was looking ahead to the post-war goal of ending British, French and Dutch colonialism. To actually have a “war to end all wars”, unlike the fatally flawed World War I, the massive war-fighting capabilities would have to be harnessed for massive economic development—literally, beating swords into plowshares. In 1940, this was Roosevelt’s thinking—hence, his insistence upon Wallace as his vice-president and as the key promoter of an American foreign policy of massive infrastructure projects and the elimination of poverty.

The USA’s “Belt and Road” proposal, written by Wallace, was entitled *Our Job in the Pacific*. It was published in tandem with Wallace’s mission to China in June 1944. A year prior, however, British Secret Intelligence had purloined a draft copy of Wallace’s paper, and were horrified by what they saw—the end of their Empire.

The British Empire, centred in the City of London

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The Hurley memorandum: Freeing Iran from British imperialism

From page II

Woodrow Wilson’s policy for America in the first world war was designed “To make the world safe for democracy” and to sustain Britain as a first-class world power. Sustaining Britain as a first-class power has for many years been the cornerstone of America’s foreign policy. Personally I have supported that policy. I have long believed and have many times stated publicly that the ultimate destiny of the English-speaking peoples is a single destiny.

We did sustain Britain in the first world war as a first-class power but we did not succeed in making the world “safe for democracy.” Instead, when we backed away from the League of Nations and failed to make the peace terms an instrument of democracy, we made the world safe for imperialism. In the quarter of a century which has intervened the processes of both eastern and western imperialism set the stage for this new world war.

An effort to establish true freedom among the less favored nations, so many of which are under the present shadow of imperialism, will almost inevitably run counter to the policy of sustaining Britain as a first-class world power. This leads us to the conclusion that Britain today is confronted by the same condition that confronted our nation when Lincoln at Gettysburg said “That this nation, under God, shall have a new birth of freedom.” Britain can be sustained as a first-class power but to warrant this support from the American people she must accept the principles of liberty and democracy and discard the principles of oppressive imperialism.

Soviet Russia has earned for herself an assured place as a first-class world power. Friendship and cooperation between the United States and the USSR are essential to peace and harmony in the post-war world. There must, therefore, be a mutual understanding and acceptance of the post-war patterns for freedom which the great powers among the United Nations are to offer to their less powerful associates. Without such agreement there would be jealousy, suspicion and conflict.

Project shelved

In the three additional parts of his memo, Hurley detailed plans for the implementation of Roosevelt’s economic development perspective. He identified the Iranian government’s mistrust of American initiatives: “I think it important that we understand that since our troops entered Iran on the



Gen. Patrick J. Hurley

invitation of the British without advance notice to the Government of Iran, it was natural for the Iranians to look upon us as a British instrumentality.” American efforts, he said, must be disentangled from those of the UK Commercial Corporation, which was “attempting and, to a considerable degree, succeeding in est-

ablishing a complete trade monopoly in Iran”—including by selling American lend-lease supplies.

Roosevelt’s death on 12 April 1945 blocked the Hurley memorandum from going into effect after the War. Pro-British President Harry Truman elevated Dean Acheson, who had attacked it within the State Department, to the post of secretary of state. In 1951, when Mohammed Mossadegh became Prime Minister of Iran and nationalised the British Petroleum company, Acheson coordinated with the British ambassador and a joint CIA-British Intelligence team, to plan a coup d’état against Mossadegh, and restore British control of Iran’s oil. The coup was implemented in 1953 during the Eisenhower Presidency, under CIA Director Allen Dulles, whom Truman and Acheson had previously put in charge of CIA covert action.

In 1945, and again in 1951, Hurley testified at Senate hearings, exposing Acheson’s treachery in wrecking Roosevelt’s plan for cooperation and friendship with a sovereign Iran.

Notes

1. Persia (Iran) was not formally a colony, but in the 19th century had become an arena of the “Great Game” power struggle between Great Britain and Russia in Eurasia (see AAS Special Report “[Xinjiang: China’s western frontier in the heart of Eurasia](#)”, Part 1). The 1907 Anglo-Russian Convention declared Russian and British spheres of interest in Persia. The Anglo-Persian Oil Company (later British Petroleum), formed upon the discovery of oilfields in 1908, became a powerful presence in southern Iran.
2. At their contentious meeting in Newfoundland, March 1941 (“FDR’s Post-Colonial Vision Challenged Churchill”, *Australian Almanac*, Vol. 13, No. 14), Roosevelt had imposed upon Churchill terms in the Atlantic Charter, the basis for US collaboration in the War, that were based on the Four Freedoms FDR had set forth in his State of the Union message two months earlier: freedom of speech, freedom of worship, freedom from want, and freedom from fear.
3. Lend-lease was the US military materiel program for the UK and the Soviet Union in World War II.

financial enclave, faced an existential crisis, and proceeded to risk everything, gambling that they could force a regime change in the United States. In direct response to Wallace's draft, in the summer of 1943, Prime Minister Winston Churchill, along with the head of MI6, Stewart Menzies, the head of MI6's outpost in the United States, William Stephenson, and the British ambassador in Washington, Lord Halifax, all demanded of Roosevelt that Vice-President Henry Wallace be removed. Their demand was explicitly and specifically based upon their opposition to the US plan to industrialise and develop China.

American 'Belt and Road' for China

In June 1944, Vice-President Wallace travelled to China and presented America's policy to industrialise China, along with modernising her agriculture, as the linchpin of ending colonialism in Asia and the post-war world. Here are selections from his *Our Job in the Pacific* booklet:¹

"There is no doubt that in Eastern Asia, American investments can be made to result in such a rapid raising of the standard of living of a billion people—half the population of the world—as to unleash significant forces for the peace and prosperity, not only of America but of the world. [Asia needs capital and technical knowhow.] America's need will be to utilize fully our greatly expanded industrial capacity. [Post-war full employment matches the] great need of our goods to use in their reconstruction and rehabilitation programs.... To form a balanced opinion [as to how much investment,] we need to look forward to the kind of world we shall be living in twenty years from now, for it is conditions then which will have a bearing on the ability of the borrowing countries to repay."

Wallace then proceeds to estimate repayment ability based upon the physical expansion of imports and exports generated:

"We now have enough knowledge to create miracles in our environment which can transform the economic life of vast numbers of people.... [This is exemplified by] what the TVA has done for the poverty-stricken land and people of the Tennessee Valley, the productivity that has been stimulated by the power that emanates from the [Grand] Coulee Dam.... Industrialization will raise the standard of living of Asiatic peoples and create new markets for American goods and opportunities for American investment, involving questions of government loans, credits and tariffs; but all this will be possible only if accompanied by improvements in Asiatic agriculture. [It's important for] ... enthusiasts for industrialization not to get too far ahead of agricultural improvement."

Wallace contrasted productivity in Asian agriculture, in which 80 per cent of its 1 billion population were engaged, with American. It took four or five Asian rural families, relying on ox or donkey power and rudimentary tools, to feed one urban one—approximately the situation in the USA in the 1790s; 150 years later, as of 1944, the ratio was reversed: one American farm family supported four or five city families. Unless based on efficient agriculture, industrialisation would just turn the former colonies into cheap labor for advanced countries.

Industrialisation was also needed for public health, to overcome the "great human debility from disease associated with bad water, from malnutrition, malaria, hookworm, tuberculosis and venereal diseases". There was nothing



Vice President Wallace cited the Grand Coulee Dam hydroelectric station, built in Washington State under Roosevelt's 1930s New Deal, as a model for how economic productivity could be increased in Asia, too.

natural or genetic about this, Wallace wrote, in light of Asian people's creation of "several high and sophisticated cultures distinguished by the range of their philosophic thought, the depth of their religious feeling, and the early development of some kinds of scientific discovery, especially in astronomy, mathematics and hydraulic engineering." But 19th-century industrialisation in the West, while much of Asia was formally or *de facto* colonised, had created the disparity.

"A free, strong, prosperous and democratic China could serve as an immensely powerful stabilizing factor in the Pacific ... and if the time comes when a democratic China can cooperate with a free India, the trend toward freedom in Asia will be assured.... There are still people, over-influenced by crude theories of power politics, who raise the question whether China might not become too strong."

Wallace provided a map showing "Subject Asia" in black and "Free Asia" in white. In the former, Subject or Colonial Asia—including India, Dutch East Indies, Indo-China, Burma, Malaya and many islands, it "is to our advantage ... to see an orderly process of transition [out of colonial status. Further, he emphasised that] the moral benefit to America herself of the assumption of leadership will not be lessened by the fact that only by making others prosperous can we preserve and increase our own prosperity."

On 21 June 1944 Wallace presented to Chairman of the National Government of China Chiang Kai-shek his policy for the massive expansion of China's industry and agriculture. Wallace's diary simply notes that he explained to Chiang that China's agricultural and industrial sectors could be greatly strengthened with key input from the United States; and in this context, there was a basis for Chiang's Kuomintang government and his Chinese Communist opponents both to benefit, and so, to work out a united government. Further, a *modus vivendi* between Soviet Russia and non-communist China could be worked out.

Continued, next Almanac.

Note

1. Henry A. Wallace, *Our Job in the Pacific*, American Council of the Institute of Pacific Relations, June 1944.