

DECLASSIFIED
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By MMK NLDDE Date 12/22/10

U - Mr. Herter

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JUL 30 1958

TO: U - Mr. Herter
FROM: O - Mr. Henderson

SUBJECT: Statements Attributed to Ambassador Taylor in UPI Article of July 17 Alleging Switzerland to be Center of Communist Subversive Activities.

There is attached in summary form a chronology of developments which followed the publication on July 17 of an article by Frank Bartholomew on Communist subversive activities in Switzerland in which Ambassador Taylor was quoted.

The Swiss Government was seriously embarrassed by this article. Official Swiss concern was expressed to Ambassador Taylor by the Swiss Foreign Minister and to me on two occasions by the Swiss Ambassador. The Swiss press vigorously attacked the article and called for an explanation from the Government and Ambassador Taylor. The article questioned Swiss ability to enforce and police its neutrality by reporting the existence of widespread Communist and Arab subversive and espionage activities centering in Switzerland. Such allegations struck directly at Switzerland's most cherished political tradition. The record indicates that the Swiss Government took a serious enough view of this incident to consider requesting the recall of Ambassador Taylor.

My conversations with Ambassador de Torrente left me no doubt that the Swiss Government wished to avoid this step. To this end the Department agreed to Ambassador Taylor's issuing a statement in Bern which had been worked out with the Swiss Foreign Minister. In this statement, dated July 24, Ambassador Taylor categorically denied "having said the words offending Switzerland and susceptible to do harm to Switzerland attributed to me." On July 25, Mr. White at his press briefing stated that "the Department sincerely regrets any difficulty or embarrassment which may have been caused to a friendly country by this incident." With these statements, the Swiss Foreign Minister has stated to Ambassador Taylor that the Swiss Government considers this matter officially closed.

In spite of our efforts with the UP, the resolution of this matter was complicated by a statement by Mr. Bartholomew, President of UPI, on July 25, to the effect that he could not accept Ambassador Taylor's denial since it did not accord with the facts. We understand from Ambassador Taylor that the Swiss press of July 26 played in a balanced manner the Department's expression of regrets and the Bartholomew rebuttal of the Ambassador's denial.

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I should say that at least on the surface the incident would appear to be resolved if the Swiss press is willing to let it drop. Traditionally good United States-Swiss relations are sound enough to recover from whatever jolts they may have received from this incident. However, it remains to be seen whether Swiss reactions to this incident will have an adverse effect in the future on the working relationship between Ambassador Taylor and the Swiss Government. In this connection, I should like to call to your attention an inquiry from the Internal Security Subcommittee of the Senate Judiciary Committee concerning the availability of Ambassador Taylor for appearance before the Subcommittee for questioning. The Subcommittee has been informed that Ambassador Taylor has no definite plans to be in this country during the near future.

Attachment:

Chronology



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CHRONOLOGY

July 17 - UPI ticker in late afternoon carried story by Frank Bartholomew to effect Switzerland had become European Center Communist and Arab espionage activities. Story contained statement attributed to Ambassador Taylor that approximately \$1,000,000 a week was sent out of Switzerland by Communists for subversive activities in the Western democracies. Article also referred to Taylor as "hard-headed journalist and foreign affairs expert".

Department sent telegram to Ambassador Taylor asking whether attribution was correct and inquiring about circumstances of story.

July 18 - New York Times carried slightly different version of above UPI story. This version attributed to Ambassador Taylor a statement relating the international narcotics traffic to Communist subversive activities.

In a conversation with Mr. Jandrey, the Swiss Ambassador expressed his personal concern and annoyance at the UP article. He said he knew his Government's reaction would be unfavorable.

Ambassador Taylor replied to the Department's telegram stating that the attribution of statements to him in the UP ticker story was incorrect.

July 21 - Frank Bartholomew telephoned Mr. Cameron. Bartholomew said that on July 19 Ambassador Taylor had telephoned him from Bern to object to the attributions. Mr. Bartholomew said that Ambassador Taylor's objections were quite justified. He said that he was very sorry that the story had contained quotations mistakenly attributed to Ambassador Taylor.

July 23 - An official of the Swiss Embassy informally suggested to Mr. Walsh that the Swiss Government was most seriously concerned by the UP story and Ambassador Taylor's association with it. The Swiss official intimated that the Swiss Government might be forced to take some grave actions, but that an explanation from the Department might head off some of these.

At 4:00 PM, Mr. Henderson received the Swiss Ambassador. The two talked alone for approximately one hour. The Swiss Ambassador was very agitated and vehemently denied the accuracy of the whole UP story. Mr. Henderson explained that the quotations were mistakenly attributed to Ambassador Taylor. The Swiss Ambassador said that a public statement was essential. Mr. Henderson replied that until we knew the full facts and heard from Ambassador Taylor

We would

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July 23 - (Continued)

we would not know what kind of statement was appropriate. Mr. Henderson told the Ambassador that he could inform his Government of the substance of this conversation. He added that we would get in touch with Ambassador Taylor in order to obtain more information and that by tomorrow at the latest we hoped to be able to arrange for statements to be made in Bern and in Washington which would ameliorate the situation.

Following his talk with the Swiss Ambassador, Mr. Henderson discussed the question with Mr. Herter, Mr. Berding and Mr. Jandrey and it was agreed that Mr. Jandrey would telephone Ambassador Taylor to convey the Department's decision concerning a line of action.

Mr. Berding received a telephone call from Mr. Johnson, Vice-President of UPI. Mr. Johnson said that Mr. Bartholomew had just received a telephone call from Ambassador Taylor who said that the UP article had caused a most serious situation in Bern which might result in his recall. He explained he had a most serious talk with the Swiss Foreign Minister. Johnson said that the UPI wished to cooperate.

At 7:15 PM, Mr. Jandrey got Ambassador Taylor on the telephone and asked the Ambassador for a full report of the circumstances of the UPI story, an account of his talk with the Foreign Minister and his appraisal of the situation. Mr. Jandrey also said the Department considered that the Ambassador should prepare a statement for release in Bern, send it to the Department for clearance and that, in the light of his statement, the Department would also make a press release. Ambassador Taylor replied that during the course of two meetings that day with the Swiss Foreign Minister they had already agreed on a statement which they would review in final form at a meeting scheduled at 11:30 AM the next morning. The Ambassador read his proposed statement. Mr. Jandrey said that he would like to consider it and would send the Ambassador a cable as soon as possible.

After consulting with Mr. Berding, Mr. Jandrey sent a cable to Ambassador Taylor approving his statement with one minor suggested change and instructing the Ambassador to send the Department an exact English text and time of release. Mr. Jandrey informed Ambassador Taylor that the Department would simultaneously release his statement and add a paragraph to the effect that the Department regretted the embarrassment caused to a friendly government.

July 24 - At noon on July 24, Ambassador Taylor telephoned Mr. Jandrey. Ambassador Taylor said that his statement denying the accuracy of the attributions had been released to the press at 1330 Swiss time. The Ambassador stated that the Foreign Minister had told him that the incident was considered to be officially closed by the Swiss Government. He added that the only additional public statement intended to be issued by the Swiss Government would be by the Federal Councilor in charge of Police who would take note of the UPI



July 24 - (Continued)

article as being a most incorrect account of Swiss police vigilance and would not refer to the United States or to Ambassador Taylor.

Following this telephone conversation with Ambassador Taylor, Mr. Jandrey and Mr. Berding discussed the release which the Department might make. Since Ambassador Taylor had already released his statement in Bern, Mr. Berding did not think that the text of that statement should be included in the Department's release. Mr. Berding telephoned Mr. Johnson, Vice-President of UPI, to inform him that the Department planned to issue a statement expressing regret that embarrassment had been caused to a friendly government by statements incorrectly attributed to Ambassador Taylor. Mr. Johnson objected strongly (1) to the release of a formal statement on this matter and (2) to the phrase "incorrectly attributed". Mr. Johnson stated to Mr. Berding that he had photo-stats of the original stories showing corrections and additions in Ambassador Taylor's handwriting. During the conversation, Mr. Johnson indicated that the UP could probably live with a Departmental statement which did not refer to incorrect attribution. He would prefer that this statement not be in the form of a formal release but rather that it be used in replying to questions.

Following this conversation Mr. Jandrey called Ambassador Taylor to inform him of the Department's decision to alter its intended press release. Mr. Jandrey told the Ambassador that the Department felt that the UP would not feel compelled to comment on a press statement which was short and which did not criticize the wire service. He said that the Department contemplated a statement along the following lines:

"With reference to the statement by Ambassador Taylor, the Department regrets that any embarrassment should have been caused to a friendly government by this incident."

Ambassador Taylor assured Mr. Jandrey that he had no objections to this text and that the change from the text given to him the previous night would not in any way affect the assurance that he had given to the Foreign Minister that the State Department would join him in expressing regrets about the incident.

Mr. Jandrey outlined to Mr. Berding by telephone his conversation with Ambassador Taylor and sent Mr. Cameron down to talk to Mr. Berding about the details of issuing the Departmental release. Mr. Berding tried to telephone Mr. Johnson, UP Vice-President, who could not be reached and talked to Mr. Peck instead. Mr. Peck told Mr. Berding that Mr. Bartholomew, President of UPI, had cabled Ambassador Taylor about the Ambassador's statement. According to

Mr. Peck,



July 24 - (Continued)

Mr. Peck, Mr. Bartholomew told the Ambassador that his denial of the attributions was not correct since the Ambassador was well aware of the fact that he had made corrections and additions on the original copy of the UP stories in his own handwriting. Mr. Bartholomew added, in effect, that he did not intend to publish this fact unless a great storm arose from the Ambassador's denial. Under these circumstances, Mr. Berding checked out with Mr. Peck what the Department intended to say in the form of an answer to a question. Mr. Peck confirmed that UP could go along with this.

During the course of the afternoon, Mr. Walsh and Mr. Cameron attempted to explain to Mr. Gaillat, Swiss Counselor, the advantages of using the Department's statement in replying to questions rather than as a formal release.

The Swiss Ambassador telephoned Mr. Jandrey at 7:00 PM to indicate his concern that the Department had not yet made a formal release on the UP incident. Mr. Jandrey presented the advantages of using the tactics of replying to a question. The Ambassador was not convinced.

Mr. Jandrey approved a cable to Ambassador Taylor explaining why the Department now thought a press release was not desirable. In an effort to avoid UP counter-action and in view of no press interest during the day, the message said we proposed to use the tactic of replying to a question. The Ambassador was instructed to explain this to the Foreign Minister. He was instructed to add that this change in tactics reflected no change in the Department's attitude towards the incident and to say that the Department deeply regretted that it had occurred.

July 25 - Early Friday morning a cable was received from Ambassador Taylor which stated that the proposed changes in the Department's comments to the press on the UPI incident were fully consistent with all objectives in all quarters in Bern.

At 11:30 AM the Swiss Counselor called Mr. Walsh and told him that Ambassador de Torrente had been instructed to inform the Department that the tactics which the Department had indicated it would follow in expressing regret about the incident were unacceptable to the Swiss Government. He said that the Ambassador wished to see Mr. Henderson as soon as possible.

Mr. Henderson and Mr. Jandrey saw the Ambassador at 12:15 PM. The Ambassador emphasized strongly that his Government wished the Department to issue a separate and clear statement of regret about the incident. In view of the serious Swiss concern, it was agreed that the Department spokesman would issue the following statement at the 12:30 PM press briefing:

"With reference

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July 25 - (Continued)

"With reference to the statement Ambassador Taylor made in Bern yesterday, the Department sincerely regrets any difficulty or embarrassment which may have been caused to a friendly country by this incident."

This commitment was carried out by Mr. White at his press briefing a few minutes later. Ambassador Taylor was informed of this action by cable.

While the Swiss Ambassador was talking to Mr. Henderson, Mr. Berding received a telephone call from Mr. Johnson, UPI Vice-President. Mr. Johnson said that the Swiss Government had issued a communique strongly attacking the UPI and that the Swiss press was filled with denunciations of UPI. Under these circumstances it was essential that UPI issue a statement. Mr. Johnson told Mr. Berding that he was drafting such a statement which would rebut the Ambassador's denial and say that the Ambassador wrote in the attributions to him in his own hand. Mr. Berding tried to persuade Mr. Johnson not to issue a statement, or to soften it. Mr. Johnson said he would talk to Mr. Bartholomew in California and call Mr. Berding back.

Mr. Johnson called back later in the afternoon and gave Mr. Berding a somewhat softened version of the UPI statement which said in effect that Ambassador Taylor's denial did not accord with the facts, but did not refer to the manuscripts of the article. Mr. Berding again tried to persuade the UPI not to issue the statement.

Mr. Wilkinson informed Mrs. Anne Wheaton at the White House of the likely possibility that UPI was going to issue a statement. According to Mr. Wilkinson, she expressed appreciation, said she would call this to Mr. Hagerty's attention, and indicated that it was unlikely that they would wish to try to intercede with UPI.

In the late afternoon, the UPI issued a statement to the effect that Ambassador Taylor's denial did not accord with the facts.

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July 25 - (Continued)

Subsequently, Mr. Jandrey telephoned Ambassador Taylor to inform him of the UPI action. Mr. Jandrey expressed the Department's regret about this development and its desire to minimize further comments on this subject if at all possible. He emphasized the importance of maintaining the dignity of the office and the personal position of the Ambassador and pointed out the Department's desire to cooperate closely with him and to be as helpful as possible in our joint efforts to solve this problem.

In reply Ambassador Taylor stated that Mr. Bartholomew's position was incomprehensible to him. He had helped Bartholomew only because he thought it was his duty. He said that in light of Bartholomew's cooperation in deleting certain statements he had made some changes in writing in a draft given to him by Bartholomew. The final article, however, went beyond the draft. In short, the Ambassador said, it ended up as an interview. He stated that he would make no public comment on the UPI rebuttal despite the fact that the wire service had taken its action while fully aware of his basic innocence. He anticipated that press comment in Switzerland might be quite critical of him and the UPI during the next few days. However, he felt that the matter would die out as a press subject providing the Foreign Minister refrained from public comment. In this respect, he added, some consolation could be found in the fact that the Foreign Minister had informed him that the Swiss Government considered the matter to be officially closed.

July 26 - At 10:45 AM, Ambassador Taylor called Mr. White of the News Division to express his appreciation for the "excellent handling" by the Department of the incident involving him and the UPI. The Ambassador felt the Department's timing was "first class" and that its statement was dignified and reasoned. He said that he did not intend to comment on the UPI statement and he believed that, if the matter could continue to be handled in a routine fashion, the Swiss Government would take no further action. He reported that the Swiss press of July 26 had handled the Department's statement of regret and the UPI rebuttal in a balanced fashion, in some cases giving greater play to the former.

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