

Diary

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I. A. HIRSCHMANN
743 LEXINGTON AVENUE
NEW YORK CITY 22

April 24, 1944

Honorable Henry Morgenthau, Jr.
Secretary of the Treasury
Washington, D. C.

My dear Mr. Secretary:

I called your father as soon as I returned to New York last Friday. He remembered me from our previous association and invited me to come to see him at his home yesterday (Sunday) at 4 P.M.

I want to thank you for the deep pleasure and satisfaction that I derived from our "re-union." It seems that my recent activity is paying dividends in human relations here which were an unforeseen by-product. I do not have to tell you, of all people, what a grand, mellow and inspiring figure your father is. I was moved by our conversation which was concerned mostly with the subject of human beings who are activated by unselfish motives, and the field of human welfare.

I understand that on Wednesday he will celebrate his 88th birthday. That should

I. A. HIRSCHMANN
743 LEXINGTON AVENUE
NEW YORK CITY

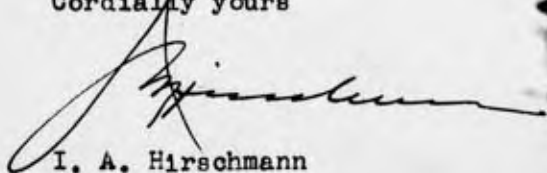
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Honorable Henry Morgenthau, Jr.
April 24, 1944

be a wonderful occasion for you and I
send my felicitations to you and to him
in advance. Thank you for making it
possible for me to see him.

I need not tell you how much it meant
to me to have your encouragement in
my efforts toward the program of the War
Refugee Board, for which "instrument"
I understand you are largely responsible.

With warm personal regards,

Cordially yours



I. A. Hirschmann

iah:ret



TREASURY DEPARTMENT

PROCUREMENT DIVISION

WASHINGTON 25



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OFFICE OF THE DIRECTOR

April 24, 1944 *AA*

MEMORANDUM TO THE SECRETARY:

From the beginning of this fiscal year through April 15, 1944, there was declared to the Procurement Division surplus property amounting to \$115,432,883.11. Disposals during that period totaled \$78,103,186.61.

Pending the completion of the detailed inventory system, a listing of the principal items available for sale has been prepared and is attached hereto, which list does not include items in process of transfer to a Governmental agency or public sale. A tentative list has also been prepared of indicated surplus property declarations by the War Department in the near future which is subject to change, but provides the best information now available.

Instructions have been issued to our regional offices to concentrate upon the closing out of any remaining WPA or NYA property which for the most part would be miscellaneous items or buildings classed as personal property. We have also told the field offices to start making checkups on NYA property loaned to vocational institutions to make certain that it is being used for the purpose loaned, and, if not, steps will be taken to have such property withdrawn for use elsewhere.

Clinton E. Mack
Clinton E. Mack
Director of Procurement

Attachments (2)

SURPLUS PROPERTY
AVAILABLE FOR DISPOSAL

<u>Item</u>	<u>Quantity</u>	<u>Value</u>
Air Conditioner	1 Each	\$ 1,449.
Airplane Tape	1 Lot	1,500.
Airplane Parts	2 Lots	99,200.
Aluminum Sheets and Rods	1 Lot	6,000.
Asbestos	1,400 Sheets	2,800.
Ambulance Bodies	187 Each	50,213.
Abrasive Cloth	1 Lot	14,553.
Alarms and Gas Masks	3,252 Units	6,218.
Albums, Photoprint	2,648 Each	11,529.
Bicycles	10,929 Each	303,259.
Blowers	11 Each	550.
Boxes		
Ice	1,396 Each	144,648.
Wood and Cardboard	1,334,446 Each	4,807.
Liners for	4,034 Each	298.
Bolos	376 Each	1,443.
Bolo - Scabbards	4,091 Each	6,831.
Batteries	6,863 Each	686.
Bags	3,759,878 Each	282,252.
Bolts	1 Lot	5,077.
Beds	4,551 Each	62,205.
<u>Construction Equipment</u>		
Including - Tractor, Mixers, Graders, Rippers, Hoppers, Power Shovels, Vibrators, Finishers, Crushers, Conveyors, Cranes, Pumps, Compressors, etc.		
Cuspidors - Steel enameled	72,784 Each	208,228.
Coal	1,700 Ton	29,103.
Cement	1,800 Bags	11,900.
Couplings - Gasoline Hose	1 Lot	1,710.
<u>Chemicals</u>		
Metallic Mercury	20,016 Lbs.	25,349.
Decontaminating Agent	1 Lot	56,044.
Simulated Agents	264,721 Pkg.	66,074.
Silicate of Soda	4,216 Lbs.	74,175.
Pyrethum Solution	2,500 Gal.	37.
Arabic Gum	2,500 Gal.	14,625.
Aromatic Naptha	61,500 Lbs.	18,867.
Potassium Metabisulphite	143,152 Gal.	42,945.
	23,800 Lbs.	8,925.

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<u>Item</u>	<u>Quantity</u>	<u>Value</u>
<u>Chemicals - (continued)</u>		
Potassium Dichromate	37,776 Lbs.	\$ 12,088.
Sodium Hyposulphate	57,400 Lbs.	1,549.
Sodium Phosphate	455,175 Lbs.	12,620.
Sodium Chromate	72,300 Lbs.	15,833.
Salicylic Acid	3,536 Lbs.	2,121.
Calcium Carbide	478,700 Lbs.	19,148.
Diethyeene	9,569 Gal.	12,248.
Ether	13,060 Qts.	10,448.
Potassium Sodium	56,800 Lbs.	22,720.
Blue Indigo Dye	11,646 Lbs.	8,275.
<u>Equipment - Including-</u>		
<u>Drafting, Electrical, Duplicating,</u>		
<u>Photographic - Various</u>	1 Lot	710,987.
<u>Equipment - Industrial</u>	1 Lot	25,000.
<u>Expansion Joints</u>	159 Each	14,500.
<u>Furnaces - Tempering - Electric</u>	2 Each	15,800.
<u>Furniture - Office</u>		77,643.
<u>Harness</u>	1 Lot	4,500.
<u>Hose - Gasoline</u>	1 Lot	94,904.
<u>Hardware</u>		
<u>Hinges</u>	92,700 Pcs.	922.
<u>Latches</u>	25,500 Pcs.	739.
<u>Angle Irons</u>	546,192 Pcs.	1,665.
<u>Leather Tabs</u>	35,194 Pcs.	211.
<u>Rivets</u>	2,557,400 Pcs.	2,325.
<u>Washers</u>	84,881,221 Each	102,397.
<u>Screws</u>	500 Ton	879,602.
<u>Instruments - Drawing</u>	38 Sets	760.
<u>Logs</u>	130,000 FBM	3,900.
<u>Lumber - Salvaged, Rough</u>	778,126 FBM	21,703.
<u>Lanterns</u>	1,405 Each	2,726.
<u>Lamps - Tail</u>	320 Each	160.
<u>Lubricants</u>	1 Lot	777,971.
<u>Machines, Kitchen</u>	11 Each	7,680.
<u>Machines, Imprinting for</u>		
<u>Identification tags</u>	15,000 Each	479,900.
<u>Motors, Electric</u>	4 Each	5,240.

April 21, 1944

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<u>Item</u>	<u>Quantity</u>	<u>Value</u>
Motor Vehicles - Etc.		
Trucks	3,407 Each	\$ 1,368,150.
Automobiles	349 Each	117,803.
Busses	9 Each	6,850.
Motorcycles	17 Each	2,000.
Trailers	45 Each	10,660.
Medical Supplies and Equipment		
Disinfector	1 Each	2,200.
Sterilizer	7 Each	525.
Medicinals	1 Lot	485,649.
Dental	1 Lot	17,000.
Rubber Gloves	1 Lot	7,945.
Parts		
Tractor	1 Lot	500.
Automotive	3 Lots	12,325.
Presses	9 Each	5,330.
Photographic Equipment	1 Lot	2,000.
Paint	1 Lot	63,508.
Propane-Gas	337,640 Lbs.	1,688.
Propane-Gas-Cylinders	9,441 Each	264,348.
Rubber Sheets	1 Lot	700.
Sprayer - Power	1 Each	119.
Stands - Assemblies - Engines	13,346 Each	491,460.
Signal Corp Equipment	1 Lot	3,371,245.
Supplies		
Electric and Plumbing	9 Lots	86,176.
Office	Lot	155,830.
Steel Products	1 Lot	22,000.
Steel Stretchers	748 Each	4,413.
Stoves	25,211 Each	106,864.
Shearlings - Sheet	8,059,154 Sq. Ft.	3,942,246.
Sacks, Pillow	1,132 Each	328.
Tools - Etc.		
Hand	2 Lots	3,700.
Machette	146 Each	182.
Handles	16,150 Pcs.	1,900.
Textiles	1 Lot	285,935.
Transformers	4 Each	883.
Valves	10 Each	4,300.

April 21, 1944

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<u>Item</u>	<u>Quantity</u>	<u>Value</u>
Welders	2 Each	\$ 25,666.
Wearing Apparel		
Clothing	1 Lot	479,124.
Boots and Shoes	193,570 Pr.	792,268.
Wire	1 Lot	81,277.
		<hr/>
Total		\$ 16,636,882.

April 21, 1944

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TENTATIVE SCHEDULE OF PROPERTY TO BE DECLARED SURPLUS BY THE WAR DEPARTMENT DURING THE COMING MONTHS

(CONDITION AND VALUE UNKNOWN)

<u>Item</u>	<u>Quantity</u>
Mattress, cotton	1,750,000
Comforter, cotton-filled	1,250,000
Pillow, feather	1,500,000
Bedstead, wood, double decking type or cot, fldg., steel	1,600,000
Bar, mosquito	1,500,000
Rod, bar, mosquito	1,400,000
Locker, box	700,000
Pillowcase	2,000,000
Adaptor, cot, folding, steel	150,000
Table, office, wood	1,000
Stand, typewriter, wooden	2,500
Chair, typewriter	3,000
Cabinet, card size, wood, 16", 3" x 5" and 5" x 8"	4,000
Bowl, general use, w/cover	100,000
Dish, vegetable, china	450,000
Saucer, tea or coffee, china	1,000,000
Bottle, vinegar, w/stopper	220,000
Shaker, pepper	150,000
Shaker, salt	150,000
Tumbler, glass	2,000,000
Pitcher, water	150,000
Platter, meat	100,000
Spoon, table, medium	400,000
Blade, saw, butchers', 22"	125,000
Block, butchers'	6,000
Bowl, mixing, large	15,000
Colander, retinned, seamless	25,000
Dipper, tin, 2 quart	30,000
Fork, cook, flesh, 15"	75,000
Fork, cook, flesh, 21"	75,000
Grater, vegetable	60,000
Griddle, cast iron $\frac{1}{2}$ " x 20" x 30"	25,000
Knife, bread, 10" blade	35,000
Knife, cooks', 12" blade	40,000
Ladle, 15" overall	230,000
Ladle, 21" overall	20,000
Masher, potato	60,000
Measure, lipped, ungrad. 1 pt.	100,000
Measure, lipped, ungrad. 1 qt.	80,000
Opener, can, mech. table type	5,000
Pan, bake and roast, 4" x 12" x 20"	60,000

<u>Item</u>	<u>Quantity</u>
Pan, bake and roast, 4" x 20" x 26"	65,000
Pan, dish, 21 qt.	20,000
Pan, fry, 12"	300,000
Pan, muffin, 12 cup	200,000
Pan, pie, 9"	500,000
Pin, rolling, 3 3/4" x 23"	100,000
Pot, stock, w/cover, 15 gal.	10,000
Saw, butcher, 22" blade	10,000
Scraper, dough, 6"	15,000
Skimmer, 15" overall	25,000
Spatula, wood, 37"	10,000
Spoon, basting, 15"	100,000
Spoon, basting, 21"	115,000
Spoon, serving, slotted	40,000
Tongs, ice	20,000
Whip, egg, 12"	70,000
Whip, egg, 16"	110,000
Cart, hand	3,500



TREASURY DEPARTMENT
PROCUREMENT DIVISION
WASHINGTON 25



OFFICE OF THE DIRECTOR

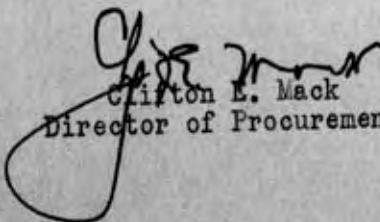
April 24, 1944

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MEMORANDUM FOR THE SECRETARY:

Mr. F. W. Brill and Mr. C. H. Belland were added to the surplus property organization. Mr. Brill will specialize in drugs, surgical equipment and hospital supplies, and Mr. Belland in textiles.

A conference was held with General Hopkins who is in charge of redistribution and salvage for the Army Air Force for the purpose of discussing procedures with regard to the disposal of surpluses declared to us by that branch of the service.


Clifton E. Mack
Director of Procurement



TREASURY DEPARTMENT

PROCUREMENT DIVISION

WASHINGTON 25



OFFICE OF THE DIRECTOR

April 24, 1944

~~MM~~

MEMORANDUM TO THE SECRETARY:

The Foreign Economic Administration has asked that we conduct a joint study with them preparatory to taking over from the Surgeon General, the Lend Lease purchasing, warehousing and packaging of medical supplies intended for civilian distribution abroad.

Under the present operation the purchasing is conducted in New York and the warehousing and packaging are combined with that of the military at Louisville, Kentucky. At Louisville, the military has personnel of 1200 and space representing 1,700,000 square feet. Approximately 25% of the personnel and material involved in this operation represents Lend Lease operation.

A study is now being conducted jointly with the Foreign Economic Administration, the Surgeon General and Procurement for the purpose of determining whether this operation should be continued at Louisville or should be transferred to Chicago at which point the Surgeon General is now considering abandoning an operation of this type which has heretofore been devoted fully to military. Involved in the Chicago operation is a personnel of approximately 375 and a warehouse consisting of 700,000 square feet.

It is proposed that the space and civilian personnel at Chicago be made available to us for the Lend Lease operation to the extent required.

Clifton E. Mack
Clifton E. Mack
Director of Procurement

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

CONFIDENTIAL

DATE April 24, 1944

TO Secretary Morgenthau
FROM Mr. Haas
Subject: The Business Situation,
Week ending April 22, 1944.

Summary

Stock market: Stock prices declined on heavier trading volume early last week as British restrictions on diplomatic communications increased tension over invasion prospects. Sales on the New York Exchange on Tuesday rose above one million shares for the first time this month, and despite a moderate recovery in the latter part of the week, stock prices at the close on Saturday were about 2 percent lower than a week earlier.

Commodity prices: Nervousness over the approaching invasion, together with other factors, has resulted in a noticeable decline in futures prices during the past two weeks, although the markets tended to firm in the latter part of last week. The spot markets have shown only slight weakness, with the BLS index of 28 basic commodities practically unchanged.

Cost of living: Success in stabilizing living costs appears to be continuing, with the BLS cost-of-living index in March unchanged from the preceding month, according to confidential figures. The cost-of-living indexes in the United Kingdom and Canada have also continued to move sidewise.

Farm employment: The maintenance of an adequate labor force remains an important farm problem, despite the protection from the draft given to farm labor. Farm employment on April 1 was the lowest on record for that date, 3 percent below a year ago. Delay in planting resulting from the cold, wet spring has tended to increase the concern felt in some areas over the tight farm labor supply.

Steel operations: Following a record output of steel in the first quarter of 1944, steel operations have shown further gains in April. As a result of a rise in the operating rate to 99.5 percent of capacity, the tonnage of steel ingots scheduled for production last week equalled the previous record high reached earlier in the month. The iron ore shipping season has started earlier than last year, with the first down-bound ore carrier clearing through the Soo 17 days earlier than in 1943.

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Invasion prospects unsettle stock market

Tension over invasion prospects, which has been a restraining factor in stock market activities in recent months, mounted early last week when British authorities clamped down on diplomatic communications and travel to prevent disclosure of invasion preparations. The announcement of the British action unleashed heavy selling on Tuesday, which carried transactions on the New York Stock Exchange above the one-million-share mark for the first time this month. (See Chart 1.) While all stock groups were under pressure, railroad stocks led the decline with a loss for the day of nearly 3 percent. Second grade and defaulted railroad bonds also declined sharply. A contributory factor in the weakness of railroad securities was the issuance of a show-cause order by the ICC indicating the Commission's intention to suspend for another 6 months the freight rate increases granted in 1942.

After further moderate weakness on Wednesday, stock prices strengthened somewhat in the latter part of the week, but volume fell off on the rally. At the close on Saturday the Dow-Jones price average of 65 stocks was 2 percent below that of the previous Saturday. Industrial stock prices thus far in 1944 have moved within a relatively narrow range, and at the end of last week were only fractionally above the level prevailing at the end of 1943. The dominant mood of traders and investors at present continues to be one of pronounced caution, with considerable bearishness evidenced by the sharp rise in the short interest on the New York Stock Exchange in recent months.

German bond prices decline in London

Meanwhile, industrial stock prices in the London market have firmed slightly, and now stand very close to the high for the entire war period. However, since Dunkirk the London market on the whole has withstood war disappointments with notable firmness.

Judging from the price movements of German bonds on the London market, as pointed out in a recent article in Barron's Weekly, British investors have considerably toned down last summer's expectations of an imminent German defeat. Using quotations of the German 5's of 1924 (originally issued as the 7's of 1924 under the terms of the Dawes Plan) it was noted that prices now are substantially lower than at the time of the downfall of Mussolini, indicating less optimism over the resumption of service on these bonds.

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Quotations for the German 5's dropped to 4 with the advent of war in 1939 and fluctuated between a high of 8 and a low of 3-3/4 in the following 2-year period. In response to the strong Russian stand against the German invasion, the bonds rose to 12 in November 1942, and then turned down again as nervousness developed over the outcome of the battle of Stalingrad and the North African campaign.

In Chart 2, showing Thursday quotations of the German 5's of 1924 since the beginning of 1943, it will be noted that, following earlier gains due to allied victories in the spring, prices rose to 15 on August 5 and again on September 9, reflecting optimism over Mussolini's overthrow and Italy's unconditional surrender. However, the stiff resistance encountered by the allied forces in Italy brought a slump in prices to 8 by December 23, and after a moderate recovery around the beginning of 1944 they slowly declined to a low of 7 last week.

Invasion tension unsettles commodity markets

Recent nervousness on the approach of the European invasion has also been apparent in the commodity markets. Futures prices have sagged noticeably in the past two weeks, although spot commodity prices have shown only slight weakness. (See Chart 3.) Due largely to declines in grain and cotton futures, the Dow-Jones futures index declined 1.1 percent between April 10 and April 18, with particular weakness evident on the latter date as a result of the British announcement of restrictions on diplomatic communications. The index, however, has firmed during the past few days. Other factors than war developments have contributed to the recent decline in futures prices, since improved crop prospects and heavier imports from Canada have tended to weaken grain futures, and rumors of a textile production freeze have unsettled the cotton markets. Moody's spot index has shown a very slight decline in recent weeks, reflecting lower prices for hogs and cotton.

The BLS index of 28 basic commodities, unchanged last week, has moved within a very narrow range during the past six weeks. (See Chart 4.) Rosin prices last week were moderately lower and cotton prices registered a slight decline, but these losses were offset by a rise in steer prices. Spot grain prices continued firm around ceiling levels. The commercial corn supply situation remains critical, with marketings last week extremely light.

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In the week ended April 15 the BLS all-commodity index advanced slightly for the second consecutive week, but the index remains within the very narrow range of the past year. At 103.8 percent of the 1926 average, the index is only 0.3 percent higher than in the corresponding week of last year, but it is 38.4 percent above the pre-war level of August 1939.

Cost-of-living steady

Success in the general stabilization of living costs appears to be continuing, with the BLS cost-of-living index in March unchanged from the preceding months, according to confidential figures. The index is now 1 percent below the peak reached last May and is only 0.8 percent above the level of a year ago. Retail food prices and fuel and light costs were slightly lower last month, but offsetting these declines was a continued gradual rise in prices of clothing and household furnishings, and in the cost of various services.

Similar to the trend in this country, living costs in the United Kingdom and Canada have continued to show very little change. (See Chart 5, upper section.) The cost-of-living index in Canada on March 1 was 0.3 percent below the peak reached last September, while the index for the United Kingdom on March 1 was at practically the same level as three years ago. Although the United Kingdom was the first to stabilize its living costs, nevertheless the cost-of-living index in that country has shown the largest rise since the war began--29.0 percent, as compared with 25.6 percent in the United States and 18.1 percent in Canada. The importance of food prices in the stabilization of the living cost indexes is indicated by a comparison of the movement of food prices in the three countries with the movement of the cost-of-living indexes. (See Chart 5, lower section.)

Sharp drop in egg hatchings expected

A decline in egg production next year, and smaller supplies of chickens this fall, are likely as a result of the sharp reduction in hatchery production indicated for the next few months. A special survey by the Department of Agriculture reveals that 13 percent fewer eggs were set and 4 percent fewer chicks hatched between April 1 and April 15 than during the same period last year. Moreover, hatcherymen reported that the output of chicks during April and May would be only about two-thirds as large as in the same period last year.

- 5 -

Although hatchery production for the first three months of this year was only slightly less than last year, the decrease indicated for the remaining months of the hatchery season would result in an 18 percent decline in production for the first five months of this year. Many hatcheries are planning to close one or two months earlier than last year.

The break in egg prices during the latter part of March caused cancellation of many orders for chicks, and an immediate slowing up in the demand for chicks. While egg prices have strengthened in recent weeks, the egg-feed ratio is not only below that of last year but is considerably below the 1933-42 average. Feed prices have risen substantially during the past year while egg prices have declined.

Farm employment smaller

While the farm labor supply is largely protected from the drastic inroads which the draft is making on industrial labor, the maintaining of an adequate labor force continues to be an important farm problem. Farm employment on April 1 was the lowest on record for that date, and was about 3 percent below a year ago. Unpaid family workers, which comprise about four-fifths of the total farm labor force, registered only a slight decline from last year, but the number of hired workers was over 10 percent lower.

Declines in farm employment are apparent in all sections of the country except the Pacific Coast, where more than 20,000 Mexican importees have bolstered the farm labor force. The delay in planting operations resulting from the cold wet spring has tended to increase the concern felt in some areas over the tight farm labor supply, particularly in the West North Central region. In that area many young men, who are competent operators of farm machinery, are preferring to go into the armed forces despite the willingness of draft boards to defer them.

Farm wage rates have continued their sharp rise of the past three years and are now at an all-time high. The index of farm wages of the Department of Agriculture on April 1 stood at 292 percent of the 1910-14 average, which is 22 percent higher than a year ago and is 137 percent above the 1939 average.

Department store sales show seasonal decline

With the stimulating effects of pre-Easter and tax-avoidance buying no longer operative, department store sales have dropped sharply since the early part of the month.

- 6 -

Following a gain of 23 percent over year-earlier levels in the week ended April 8, sales showed a year-to-year decline of 11 percent in the week ended April 15. (See Chart 6.) However, since Easter last year occurred two weeks later, sales last year were still enjoying the benefit of pre-Easter buying, and the recent unfavorable sales comparison therefore has little significance.

Preliminary reports from the New York area indicate that department store sales last week recovered from the post-Easter decline, and were actually running moderately above the 1943 Easter week. It was also reported that despite higher excise taxes, consumer demand for jewelry and handbags continued active, although cosmetic sales were still showing the adverse effects of last month's heavy anticipatory buying.

Steel production at record levels

Despite manpower difficulties and earlier fears of production losses due to cutbacks in war orders, the steel industry continues to operate at record levels. Operations last week advanced to 99.5 percent of capacity, thus equalling the year's high reached earlier in the month. On a tonnage basis this is the highest level ever attained in the steel industry.

Due to the expansion in capacity in recent years, the steel industry's production record thus far in 1944 has been even more significant than the near-capacity operating rates would indicate. The tonnage of steel produced in the first 3 months of this year has consistently run above year-earlier levels. (See Chart 7, lower section.) Further evidence of the fast pace of steel operations is seen in the fact that finished steel shipments of the United States Steel Corporation in March were the highest for any month in the company's history.

Demand for steel plates for invasion purposes recently has been especially heavy, and March output of plates broke all previous monthly records. Among other items, demand for shells, particularly the heavier sizes, is said to have increased, while the Iron Age in its latest weekly steel trade summary comments that delivery promises and rolling mill schedules seem to be growing tighter steadily.

- 7 -

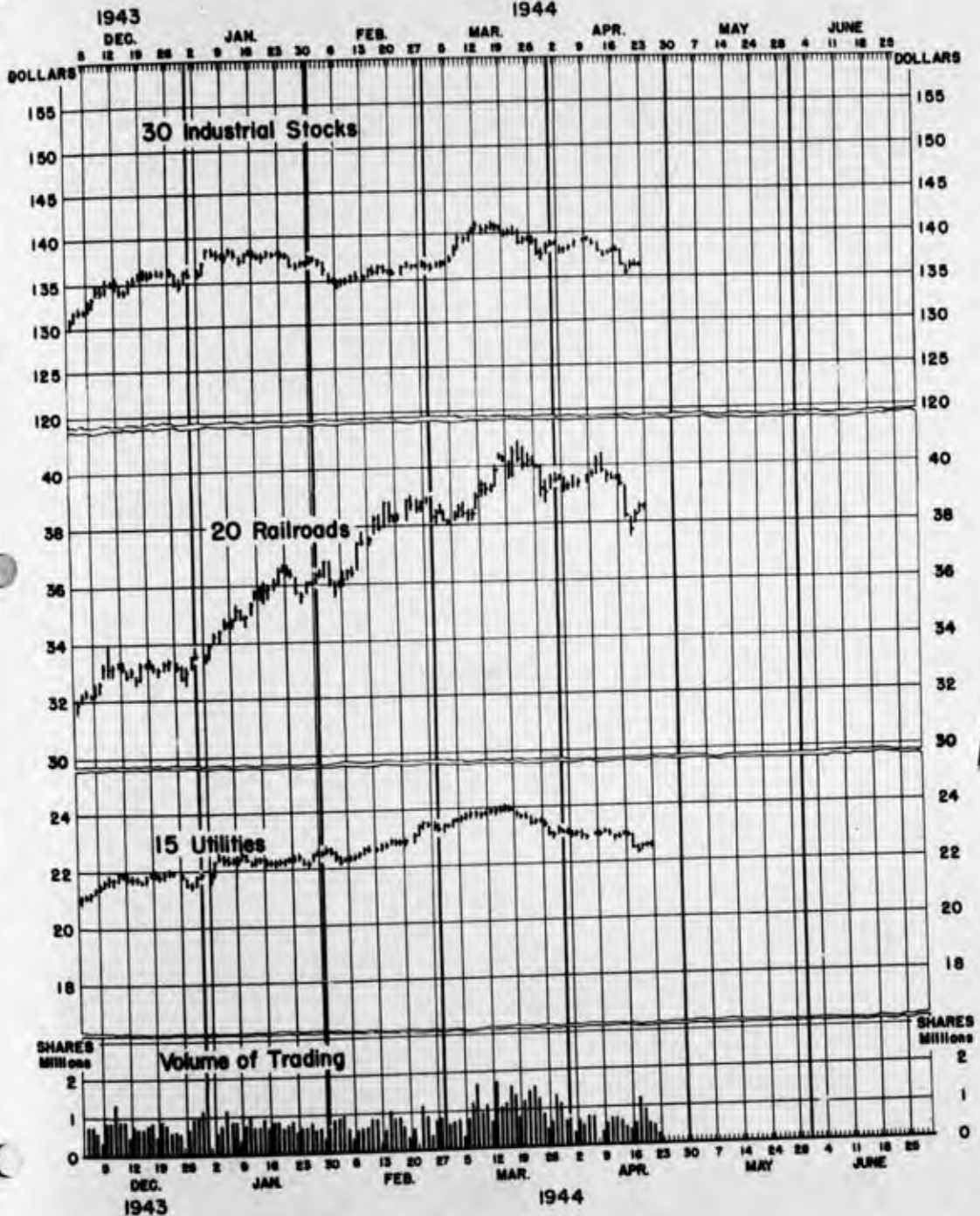
Iron ore shipping season opened

Confronted with a 1944 shipping quota of 90 million gross tons of iron ore, the current ore shipping season on the Great Lakes got under way in earnest on April 12 with the passage of the first down-bound vessel through the locks at the Soo. This was 17 days earlier than last year, when unfavorable weather conditions caused lake shipping to get off to a late start. Ore shipments have already arrived at Lower Lake ports and hopes are held for a record shipping movement in 1944, providing manpower shortages do not interfere.

The ODT announced last week that 95 percent of all ships on the Great Lakes were moving on schedule fully manned, although difficulties in obtaining skilled and experienced men were indicated. On April 1, iron ore stocks at furnaces and Lower Lake ports were nearly 4 million tons below last year's level, but the total of 21.3 million tons was equivalent to almost 3 months' supply at the March consumption rate.

STOCK PRICES. DOW-JONES AVERAGES

Daily



PRICE OF GERMAN 5s 1924 AT LONDON

Thursday Quotations, January 1943 to Date

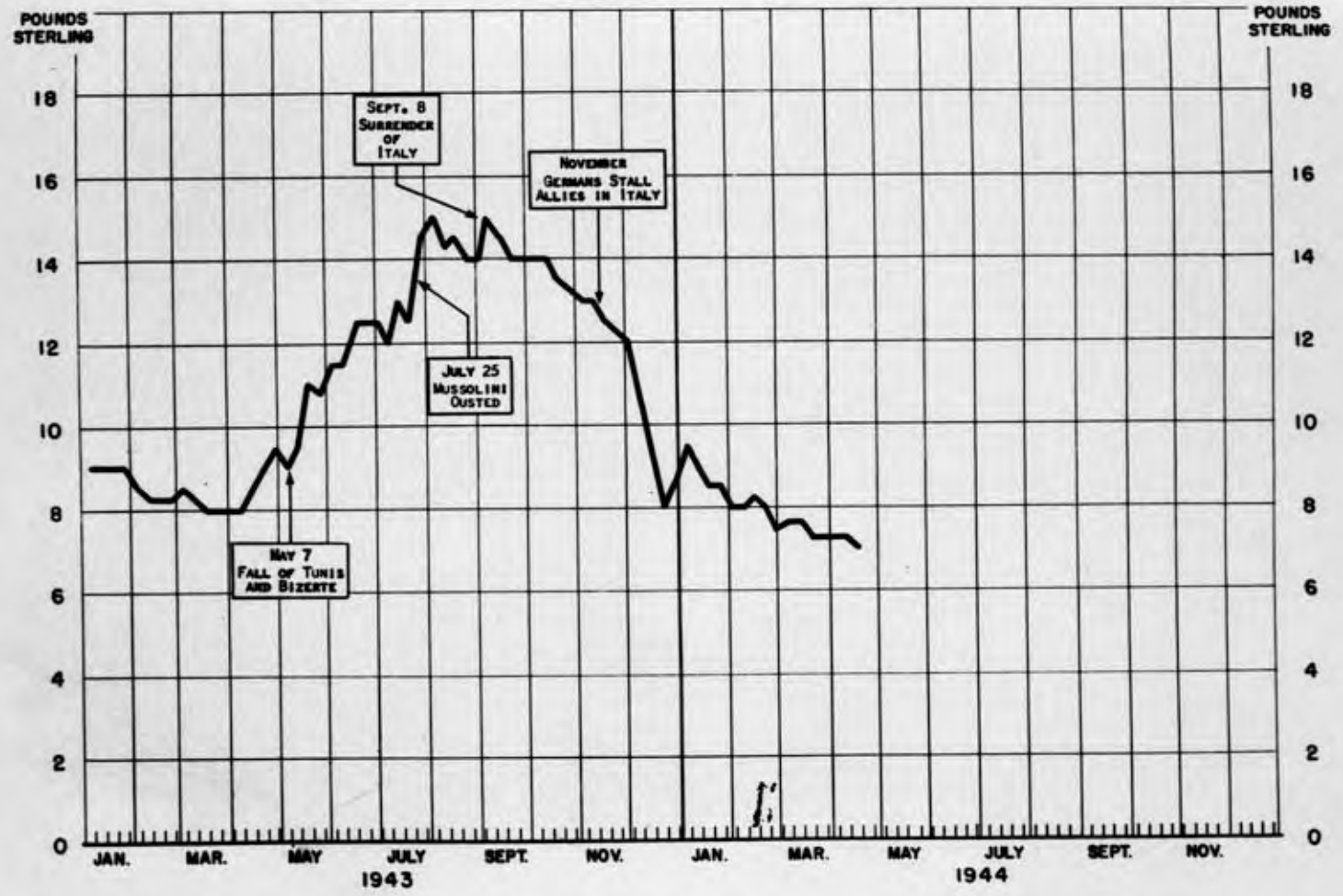
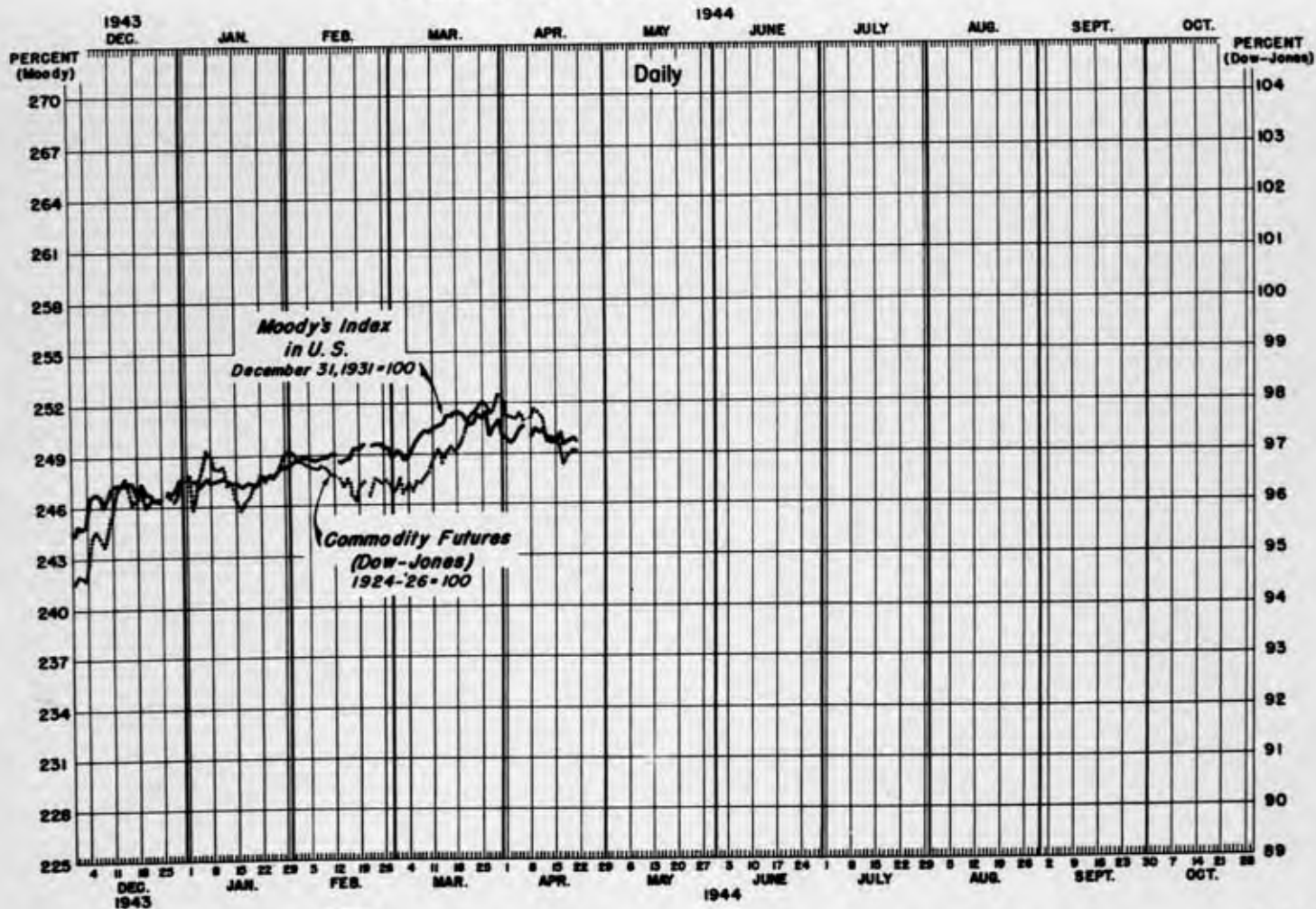
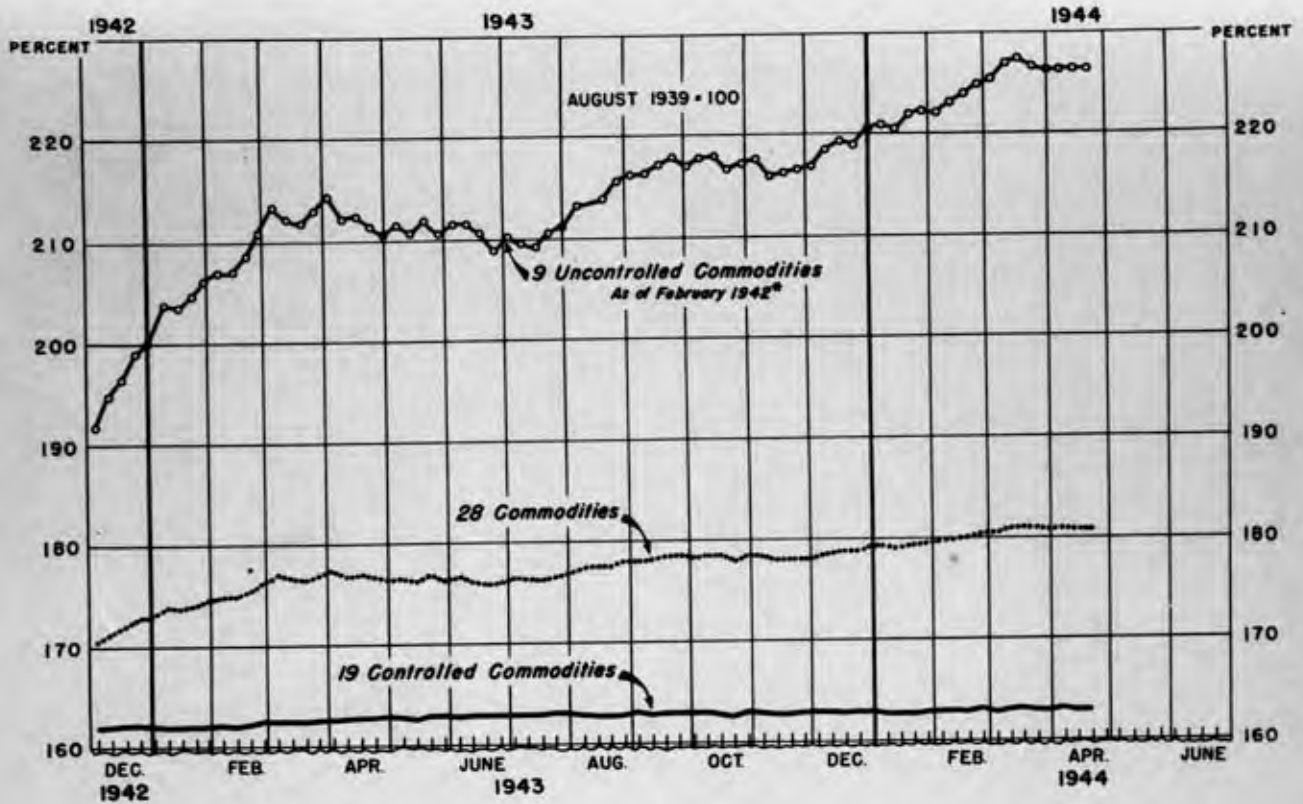


Chart 2

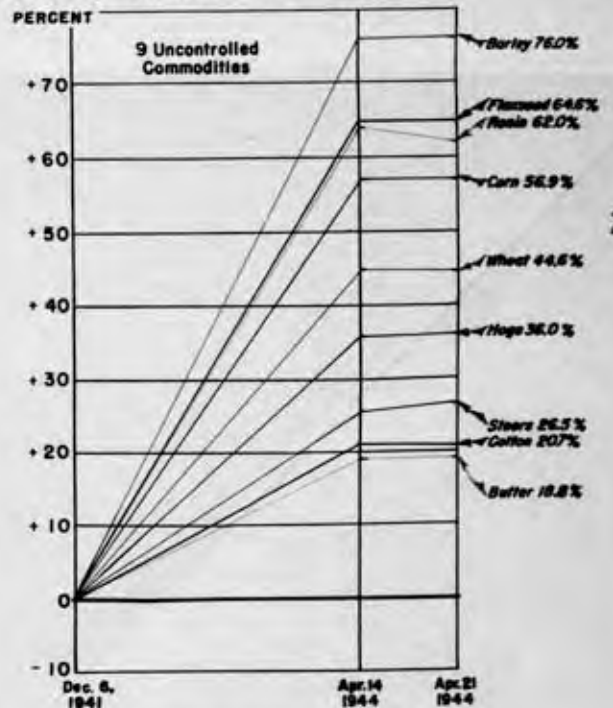
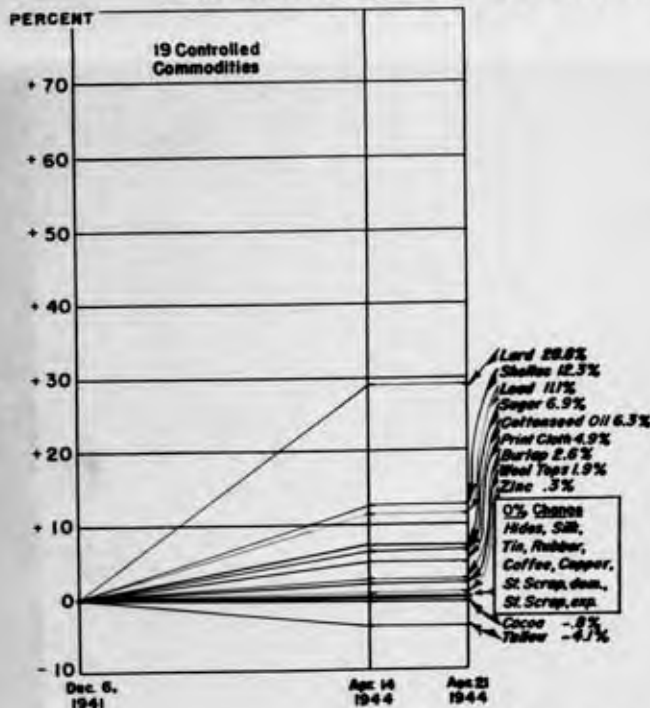
COMMODITY PRICE INDEXES IN U.S.



MOVEMENT OF BASIC COMMODITY PRICES

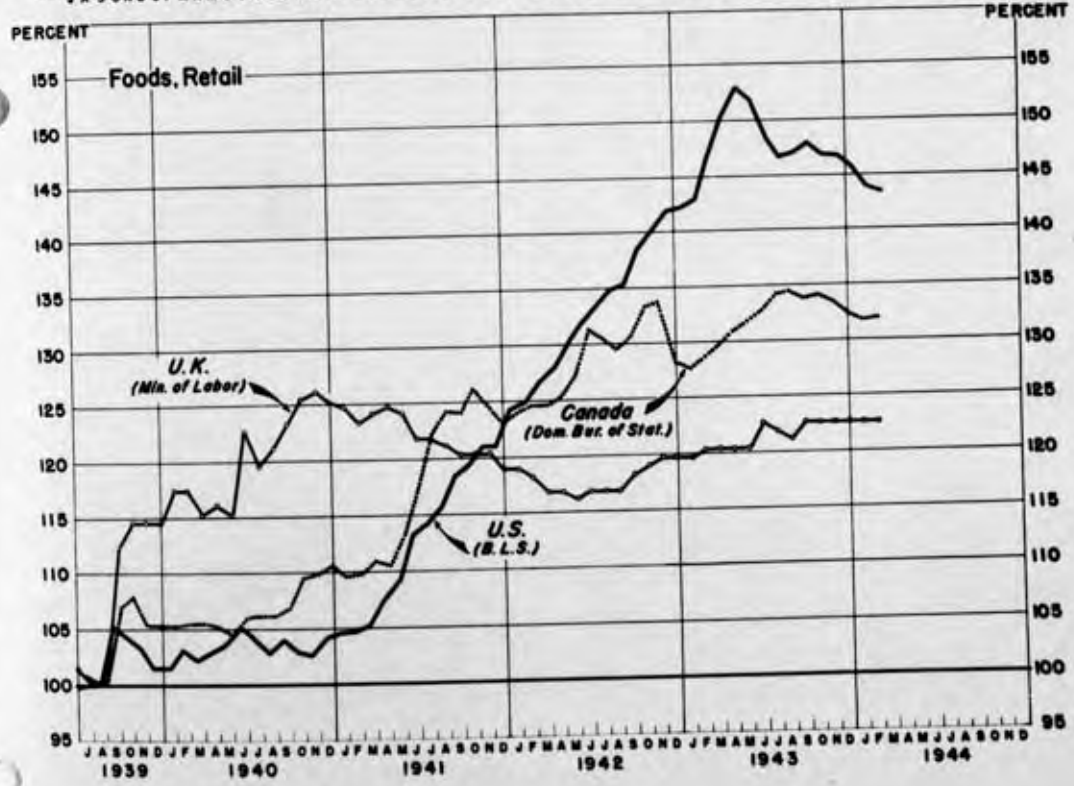
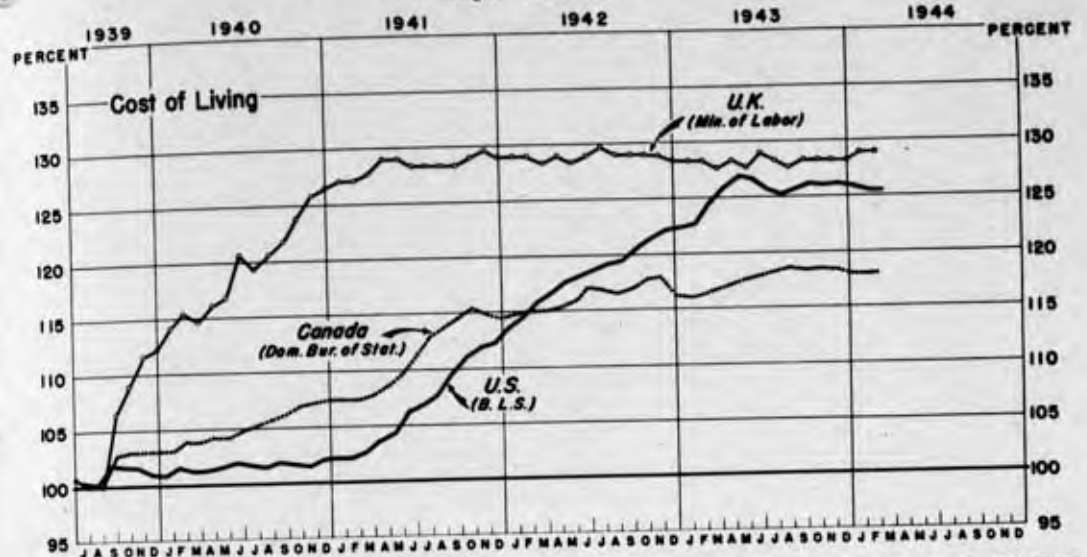


PERCENTAGE CHANGE DEC. 6, 1942 TO APR. 14, AND APR. 21, 1944



*All commodities in index are now under some form of price control, except rye and cotton.

COST OF LIVING, U.S., U.K. AND CANADA August 1939 = 100

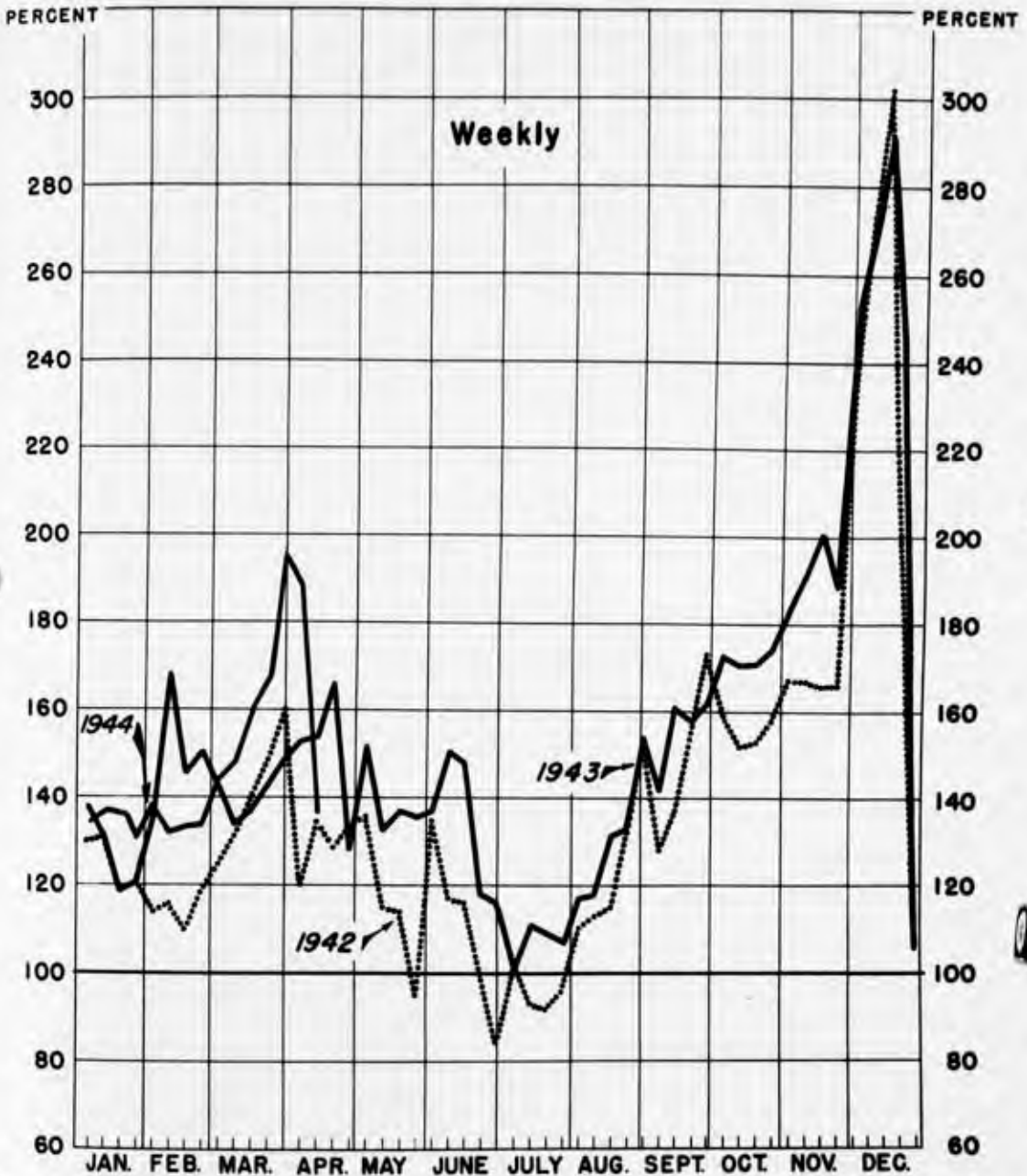


Office of the Secretary of the Treasury
Bureau of Research and Statistics

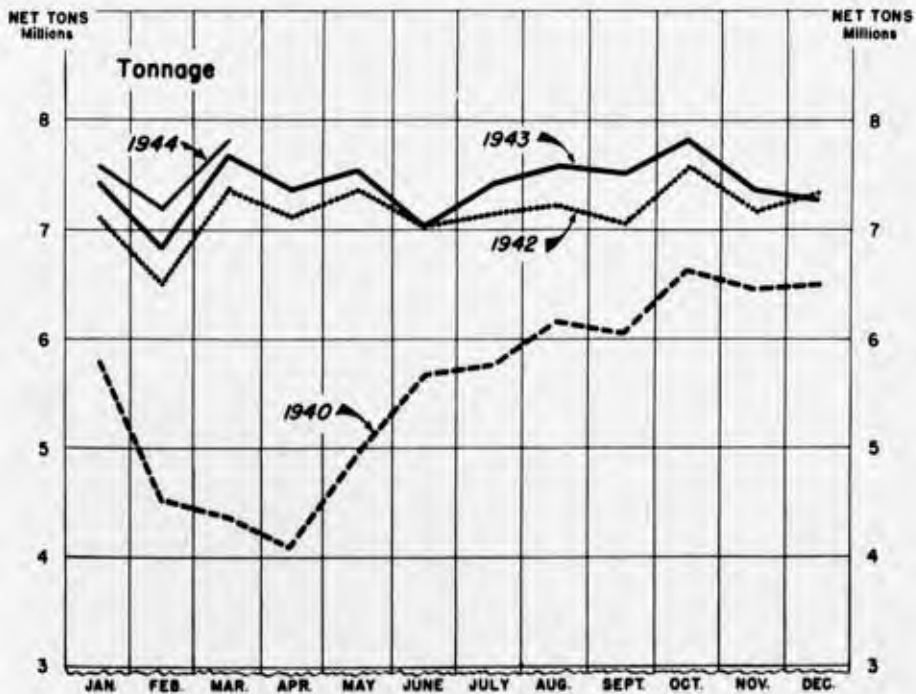
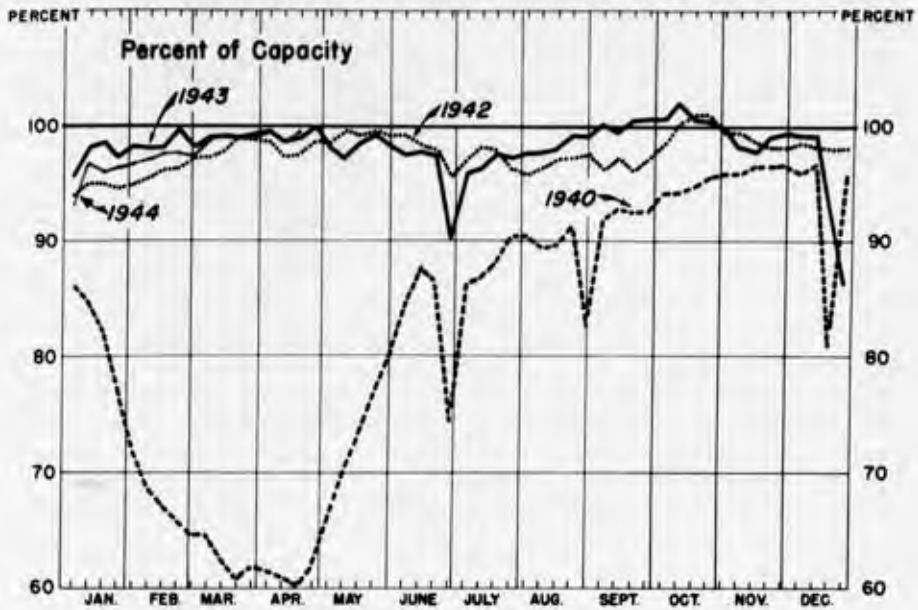
C-488-A

DEPARTMENT STORE SALES

1935-'39 = 100, Unadjusted



STEEL INGOT PRODUCTION



Office of the Secretary of the Treasury
Division of Research and Statistics

Source: American Iron and Steel Institute

C-532

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Statement for the Press

For immediate release

April 24, 1944

STATEMENT OF MARRINER S. ECCLES, CHAIRMAN OF THE BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM, ON THE PROPOSAL OF THE TECHNICAL EXPERTS REPRESENT-
ING THIRTY-FOUR NATIONS FOR AN INTERNATIONAL STABILIZATION FUND

International economic cooperation in the trying postwar period is a matter of great significance for postwar prosperity. It is a matter of no small consequence that agreement of technical experts representing thirty-four nations on international collaboration has been achieved.

Federal Reserve technicians have participated in the discussions from the beginning, and Federal Reserve authorities, in view of their responsibilities relative to credit conditions in this country, have a great interest in the effect of any arrangements relating to currency stabilization.

It is understood that no governments are committed by the action of the technicians. It now becomes necessary for the executive branch of the Government to consider the proposal of the technical experts and to determine what course of action in this matter should be undertaken and ultimately what program should be recommended to Congress.

APR 24 1944

Dear Gil:

It is very gratifying that an agreement has at last been reached between the British and American technicians on the basic principles for an International Monetary Fund. Your aid in the attainment of this goal has been very valuable and I want to express my thanks for your efforts in achieving this important step forward.

Progress on this project will, I believe, be more rapid from now on. I have just returned from the Congressional Committee where it seemed that matters proceeded favorably. It will also be of interest to you that this morning we received a favorable cable from Harriman.

Sincerely yours,

(Signed) Henry Morgenthau, Jr.

The Honorable John G. Winant,
American Ambassador,
London, England.

HPR:sh
4/21/44

Secretary Morgenthau - 2

Lottery Plans

Such plans have been extremely popular in Sweden, with the popularity closely related to the number of prizes. The interest cost has varied according to the rate deemed necessary, at the time of the offering, in order to attract potentially inflationary funds. The cost is somewhat higher than the State pays on ordinary long-term loans, but this is considered justifiable since the sole purpose is to combat inflation.

The most specific information we have concerns two issues of 150 million kronor (about \$37 millions) each offered in 1942. The interest cost on these issues is approximately 3.3 percent, apparently paid entirely in the form of prizes (although the Economist reported that 2.1 percent was paid in the form of regular interest). The top prizes in the semi-annual drawings include one of 250,000 kronor (about \$62,000), one of 100,000 kronor, and two of 50,000 kronor each. These bonds have no maturity or redemption date, but can be called at par on three months' notice, after the lottery drawing in November 1952.

Attachment

Swedish Credit Policy

The latest annual report of the Svenska Handelsbanken to reach this country throws interesting light on the credit policy by which Sweden has endeavored to insulate herself from the inflationary impact of the belligerent world around her. The main potential of inflation in Sweden has been the volume of foreign -- especially German -- purchases, the inability to import goods to a corresponding extent, the consequent increase in the gold and foreign exchange reserve of the country, and the volume of additional currency and credit built up, largely by external expenditure and backed not by additional goods, but by these metallic and paper assets of the Riksbank. To counter these inflationary forces the authorities in Sweden have adopted all the correct orthodox devices, plus a few of questionable orthodoxy, but undoubted efficacy. The main task has been that of mopping up redundant purchasing power. In the first place, the Government has borrowed above its current needs, and has done so by raising the price of its borrowing slightly above the market rates current when the new operations were launched. The Riksbank has requisitioned some Kr. 500 millions of Treasury bills from the National Debt Office and has used these as a fund for feeding open-market sales of securities. Government expenditure has been reduced wherever possible, and by postponing Government payments under supply contracts forced loans have, in effect, been extracted from the contractors concerned. The sale of Government securities outside the banks has been encouraged and, as a stimulus to the canalisation of a larger flow of savings to the Government, the National Debt Office has created a new type of savings account, on which 3-1/2 per cent interest is paid provided the deposit remains undisturbed for at least six years; if it is withdrawn before that period has expired the holder gets no interest and is charged 2 per cent of the amount withdrawn.

* * * *

Another Premium Loan

The most interesting of the unorthodox anti-inflationary devices has been the issue of a Government Premium loan. The total interest cost of the loan to the Government is 3.3 per cent. Of this, 2.1 per cent is paid by way of interest and the balance is distributed as prizes for which periodical drawings are made. The initial amount of this loan was Kr. 150 million, but such was the public response to it that this total was doubled. The popularity of the issue may be gauged by the

- 2 -

fact that since the lists were closed the Kr. 50 bonds of the loan have risen to a premium. The second part of the loan was actually issued at the price of Kr. 52. The response to the loan was such that the National Debt Office had to institute a rationing scheme which prevented a single subscriber buying up a whole series of Kr. 100,000.

Source:
The Economist - February 19, 1944
Pages 250 - 252

OFFICE OF
THE SECRETARY OF AGRICULTURE

32 ✓

April 24, 1944

Mr. Morgenthau:

Here is a revision of the former draft,
after incorporating some suggestions from
recipients.

M. E.
M. Ezekiel

4-27-44

copy to Mr Pehle
in white

TO THE PEOPLES ENSLAVED BY DICTATORS:

This statement is issued jointly by the leaders of England, the Soviet Union, and the United States, after consultation with one another:

To the peoples of Germany, Japan, their allies, and to all peoples of nations occupied by them, we say:

- I. We are fighting to destroy the dictators who have enslaved you. We are not fighting to destroy the people whom they have enslaved and oppressed all over the world.
- II. We will fight until the dictators have surrendered unconditionally.
- III. After the dictators surrender, we will start at once to help you reconstruct a world in which you and your children can live with dignity, honor, prosperity, and freedom.
- IV. To this end we will see that those political parties which have supported the dictators and which have preached destruction, hate, and enslavement, are rooted out and rendered harmless. All individuals in those parties who have been responsible for crimes of terrorism and destruction will be punished by courts of the areas where their crimes were committed. They will be held in the custody of the armies of occupation until local governments and courts capable of dealing with them have been reestablished by democratic processes.
- V. No member of the Fascist parties shall be permitted to retain property which has been looted from you. So far as possible, that property will be returned to responsible local governments for distribution among those from whom the Fascists stole it.
- VI. As promptly as Fascist elements have been eradicated, you will be given the opportunity to establish local government organs by democratic processes, for municipalities, towns, villages, and counties.
- VII. In due course you will be permitted to establish whatever form of national government you select so long as it is based on the will of the people, provides for free elections, free speech, and religious freedom of worship, and insures against the creation of new dictatorships.
- VIII. You will be aided to reestablish your production of food and

VIII. (Continued)

Industrial products as promptly as possible after the fighting stops. Halted food will be provided to check actual starvation, but after that your future food supply will depend largely on your own efforts. We will do all that is necessary to assist you in the rehabilitation of your agriculture, industry, and trade as promptly as possible.

IX. The United Nations will operate the railroads and other transportation in your area under common United Nations' control until more permanent forms of organizations have been developed. When you have established responsible governments, you will be given opportunity to participate as one of the United Nations in the direction of these and other United Nations' activities.

X. We recognize that if the world is to be peaceful in the future, it must also be prosperous, and we undertake to see that the necessary steps are taken after the war so that the citizens of each nation will have the opportunity to earn prosperity.

XI. For this and we will see -

1. That no nation is barred from due access to the raw materials of the world.

2. That no nation is barred from access to the markets of the world.

3. That under-developed nations, or those which have hitherto been exploited for the benefits of others, will be afforded the opportunity to industrialize their own economy and develop their resources for their own benefit as well as those of other countries, and will be assisted in establishing a decent social order.

4. The United Nations are now in the process of developing organs of international collaboration and assistance in the fields of railroads, agriculture, labor, monetary stabilization, and long-time finance. In due course, when your nation qualifies as a member of the family of nations, you will be able to join these organizations as one of the participating United Nations.

XII. It is recognized that the peoples of all nations have a common interest which can not be disregarded without adversely affecting the most favored. Our ultimate goal is to establish a world order consisting of a family of nations, each having due regard for the welfare and rights of the others.

to the peoples of Germany, Japan, and their allies, we say:

We recognize that you have been misled or enslaved by the Fascist dictators and the groups around them. The promises just made apply to you as well as to the people of other nations.

XIII. After you have reestablished the functioning of your industry and agriculture, you will be expected to aid in the rebuilding of those portions of the countries which your present rulers have devastated.

XIV. We hereby enter a solemn undertaking, however, that the burdens of reparation which may be laid upon you and the financial arrangements necessary in the handling of those reparations will not be made so heavy that it will not be possible at the same time for you to create a prosperous life for yourselves, and one which, within a limited course of years, can leave you free to establish higher levels of prosperity, and better standards of living for yourselves than you had known before the war.

XV. As we have already agreed at Moscow, an International Security Organization will be established. Among other points, this security organization will see that the arms industries are not reestablished in any of your countries during such period as there is any danger that they might again threaten the peace or stability of the world. When you have demonstrated your right to that privilege, however, your nation will be permitted to participate as one of the United Nations in developing the broad policies for international security.

XVI. As this International Security Organization demonstrates its ability to maintain peace and security in the world, it is our intention gradually to reduce our armed forces. That reduction of force this time will come after, instead of before, the world has become protected from future aggressors.

EXECUTIVE OFFICE OF THE PRESIDENT
WAR REFUGEE BOARD
WASHINGTON 25, D. C.

36



APR 24 1944

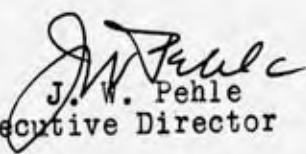
OFFICE OF THE
EXECUTIVE DIRECTOR

My dear Mr. Secretary:

I am forwarding to you herewith
the proposed minutes of the fourth meeting
of the War Refugee Board.

The approval of these minutes
will be on the agenda for the fifth meeting
of the Board.

Very truly yours,



J. W. Pehle
Executive Director

The Honorable
The Secretary of the Treasury

Enclosure

MINUTES OF THE FOURTH MEETING OF THE
WAR REFUGEE BOARD

Held in the Office of the Secretary of State, 9:30 A. M.,
Thursday, April 20, 1944.

Present: Secretary of State Hull (acted as Chairman)
Secretary of the Treasury Morgenthau
Special Assistant to the Secretary of War
Bundy (for Mr. Stimson)
Myron Taylor, American Representative on
the Inter-Governmental Committee
Sir Herbert Emerson, Director of the Inter-
Governmental Committee
Robert Pell, Special Assistant to the Director
of European Affairs, State Department
John W. Pehle, Executive Director, War Refugee
Board.

The fourth meeting of the War Refugee Board was an extraordinary one called on the occasion of Sir Herbert Emerson's visit to the United States.

Mr. Taylor explained the circumstances under which Sir Herbert Emerson had been invited to come to the United States to confer with the War Refugee Board on our mutual spheres of influence. Sir Herbert made a statement indicating that he had had very friendly and helpful discussions with Pehle and his staff and had arrived at mutually satisfactory arrangements. Pehle endorsed this statement and stated that Sir Herbert and he were prepared to agree in writing on the respective areas of operation of the two organizations. The Board was pleased that the matters had been satisfactorily adjusted.

Mr. Taylor raised the matter of the financing of IGC operations. He explained that the United States was committed to provide \$2,000,000 to the Inter-Governmental Committee of which only some \$200,000 had been called for and provided to date. He also explained that in addition the British Government had recently offered to put up one and one-half million pounds if this Government provided an equivalent amount; these funds would be used for operations

- 2 -

in enemy and enemy-occupied territory on a "credit" basis. It was agreed that this Government ought to provide the additional amount still owing under our \$2,000,000 commitment as promptly as needed by the IGC, and perhaps at the same time indicate that, if needed, additional funds equivalent to that furnished by the British would be forthcoming.

APR 24 1944

My dear Mr. President:

You will recall that, at the time of the creation of the War Refugee Board, Myron Taylor was somewhat disturbed about the confusion and difficulties that might arise in relations between the new Board and the Intergovernmental Committee on Refugees. In view of his perturbation at that time, you may be interested in learning the most recent developments.

As a result of a talk I had with Mr. Taylor, Sir Herbert Emerson, Director, and Mr. Patrick Malin, Vice Director of the Intergovernmental Committee, came to Washington to carry on conferences with Mr. Pehle and to meet with the Board. These meetings have been extremely cordial, a complete agreement has been reached on relations,

- 2 -

and the future seems most promising. In a recent conversation with me, Mr. Taylor has expressed his complete satisfaction at the way the whole matter is progressing.

Faithfully yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

The President
The White House.

JWPehle:lhk 4/20/44

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

41

DATE

TO Secretary Morgenthau
FROM Mr. Pehle

APR 24 1944

Attached you will find copies of the exchange of memoranda between Sir Herbert Emerson and myself dealing with the question of relations between the Intergovernmental Committee on Refugees and the War Refugee Board.



Attachments.

MEMORANDUM

April 17, 1944.

TO: Sir Herbert Emerson, Director, Intergovernmental Committee on Refugees.

FROM: Mr. John Pehle, Executive Director, War Refugee Board.

SUBJECT: The Intergovernmental Committee on Refugees and its Working Relations with the War Refugee Board.

This is a reply to your memorandum of April 14 in which you presented your proposals as to the working relationships that should prevail between the Intergovernmental Committee and the War Refugee Board. First of all I wish to state that I am in entire agreement with the proposals contained in the memorandum. It seems to me that on the basis of the working relationships which you outlined, it should be possible for our respective agencies to continue to work in complete harmony toward our common goal of alleviating the plight of the refugees. We are sending copies of this exchange of memoranda to our representatives abroad, and are again emphasizing to them the necessity for the closest cooperation on the part of members of our respective staffs.

The discussions that we have held in recent days have been of extreme help to us in appreciating both the assigned duties and actual achievements of your organization. The spirit you have demonstrated leads me to believe that the relations between our two agencies will continue to be mutually helpful and friendly.

Your generous offer of unstinted cooperation is appreciated and I wish to assure you that we on our part intend to reciprocate wholeheartedly. Only in this way can we move forward together, united in our determination to meet the tragically pressing refugee problem.

s/s John W. Pehle

MEMORANDUM

April 14, 1944

TO: Mr. John Pehle, Executive Director, War Refugee Board.

FROM: Sir Herbert Emerson, Director, Intergovernmental Committee on Refugees.

SUBJECT: The Intergovernmental Committee on Refugees and its Working Relations with the War Refugee Board.

The Intergovernmental Committee on Refugees was formed as a result of the conference which was convened, on the initiative of President Roosevelt, at Evian, in July 1938. Its membership prior to August 1943 consisted of the following twenty-eight governments: Argentine Republic, Australia, Belgium, Bolivia, Brazil, Canada, Chile, Colombia, Denmark, Dominican Republic, Ecuador, France, Haiti, Honduras, Ireland, Mexico, Netherlands, New Zealand, Nicaragua, Norway, Paraguay, Peru, Sweden, Switzerland, United Kingdom, United States, Uruguay, and Venezuela.

The persons coming within the early mandate of the Committee were those Germans, Austrians and Sudetenlanders who had not yet left their countries but who were being forced to emigrate on account of their political opinions, religious beliefs or racial origin, and those who had already left but who had not yet established themselves permanently elsewhere. The main purpose of the committee at the time of its establishment was to arrange, by discussion with the German authorities, an orderly system of migration; this involved the finding of permanent homes for many refugees, and the member governments made valuable contributions in this respect. They also assumed the liability of financing the meetings of the committee and its administrative expenditure, but did not assume any obligations for the financing of involuntary emigration.

During the four years following the outbreak of war, the activities of the committee were restricted by war conditions, the limited nature of its mandate, and the lack of financial resources. But in August 1943 the executive committee -

- 2 -

consisting of the governments of the Argentine Republic, Brazil, Netherlands, United Kingdom, United States, and the French Committee of National Liberation - met to consider certain suggestions made by the United Kingdom and United States as a result of the discussions which took place between the delegates of their governments at Bermuda in the preceding April. The recommendations adopted by the executive committee involved a great expansion of the committee's membership, scope, functions and finances.

Twenty-one additional governments were invited to join the committee: Costa Rica, Cuba, Czechoslovakia, Egypt, Ethiopia, Greece, Guatemala, Iceland, India, Iran, Iraq, Luxembourg, Panama, Poland, Portugal, Salvador, South Africa, Spain, Turkey, Union of Soviet Socialist Republics, and Yugoslavia. Affirmative replies have so far been received from Czechoslovakia, Egypt, Iceland, India, Luxembourg, Poland, South Africa, and the Union of Soviet Socialist Republics - bringing the present membership of the Committee to thirty-six. During this period when acceptances of newly-invited members and ratifications of previous members are being received, the executive committee has been operating on the basis of the expanded mandate.

That mandate now includes, as may be found necessary and practicable, in addition to those previously covered, those persons, wherever they may be, who, as a result of events in Europe, have had to leave, or may have to leave, their countries of residence because of the danger to their lives or liberties on account of their race, religion or political beliefs. With regard to persons coming within the expanded mandate, the executive committee is empowered to undertake negotiations with neutral or Allied States or organizations, and to take such steps as may be necessary to preserve, maintain and transport the refugees. For the purposes enumerated above, the executive committee is empowered to receive and disburse both public and private funds.

Administrative expenses are shared by all member governments. With regard to operational expenditure, the governments of the United Kingdom and the United States have agreed, subject to legislative consent, to underwrite it jointly on the conditions, first, that all projects which come within this offer shall be considered individually, and the two governments consulted before a project is sanctioned or expenditure incurred thereon; and, second, that when a clearer idea has been obtained of the money required for the efficient conduct

- 3 -

of the committee's work under its new commitments, an invitation shall be addressed to all the member governments inviting them to contribute to this expenditure also, in accordance with their abilities and their interest in the humanitarian work of the committee.

This humanitarian work falls into three classes: (1) Measures relating to persecuted persons still within the territory of Germany and her European allies or territory occupied or controlled by them - measures for their rescue or escape from such areas, and measures for their preservation within such areas. These measures will be necessary for persons in each such area until the threat of persecution is ended - i.e., until Allied victory is achieved in a particular area or for the whole of Europe. (2) Pre-armistice measures relating to persecuted persons who may have escaped or been rescued from such areas, or may yet escape or be rescued - measures for their physical relief (food, clothing, shelter, medical service), transport, employment, welfare, etc. These measures will be necessary, in neutral or liberated or conquered areas, until the allies are victorious over the whole or a considerable portion of Europe. (3) Post-armistice measures - measures for interim relief, for repatriation, and for permanent resettlement of those who cannot be repatriated.

Under the authority of the executive committee the director's office has been at work on all three types of measures since last August. The Assistant Director has visited Switzerland at the invitation of the Swiss Government, stopping in Spain and Portugal on the way; and the Vice Director has visited French North Africa, Italy, Egypt, Palestine and Turkey. Our resident representative for Italy, attached to the headquarters of the Allied Control Commission, has already begun his activities; our resident representative for French North Africa will begin work in a few days; and it is anticipated that a third representative will soon be installed in Cairo to cooperate in the Middle Eastern work of UNRRA. A comprehensive agreement with UNRRA as to respective responsibilities is far advanced - the principle being that UNRRA, wherever and whenever it operates, will handle physical relief and initial mass repatriation, and that the Intergovernmental Committee will handle the non-relief needs of the displaced people who cannot be repatriated with reasonable speed. A plenary session of the Intergovernmental Committee is scheduled for the early summer.

According to Executive Order 9417, dated January 22, 1944, establishing the War Refugee Board, that board is charged with

- 4 -

the responsibility of giving effect to the policy of the American government "to take all measures within its power to rescue the victims of enemy oppression who are in imminent danger of death and otherwise to afford such victims all possible relief and assistance consistent with the successful prosecution of the war". The order states further that the board "shall cooperate with all existing and future international organizations concerned with the problems of refugee rescue, maintenance, transportation, relief, rehabilitation, and resettlement." The groundwork is thus laid for working relations between the War Refugee Board, an American agency concerned with rescue and relief from enemy oppression, and the Intergovernmental Committee, an international agency concerned with that as well as other responsibilities - an international agency in whose founding and recent reorganization the American government took a leading part.

Building on this foundation, we are now engaged in discussions to insure the maximum benefit to the cause which we both serve, with the minimum of duplication and confusion. It appears that the War Refugee Board conceives of its activity as coming solely within the first class of work mentioned above in my description of the activities of the Intergovernmental Committee, i.e., immediate rescue and relief, except for an interest in a relatively few projects falling within the second class of work - i.e., pre-armistice care of rescued or escaped persons - which may bear directly on the success of rescue enterprises. On the other hand - though the following statements must not be interpreted as binding the executive committee, which will come to its decision after my report on our present discussions has been submitted - it would seem that the presence of neutrals within the membership of the Intergovernmental Committee, and the limitation of its executive committee to negotiations with neutral or Allied States or organizations, imply that certain measures for rescue and relief can be better undertaken by national bodies, such as the War Refugee Board in the case of the United States.

For example, radio broadcasts intended to promote escape or preservation seem not suitable for the Intergovernmental Committee. Operations relating to the removal of persecuted persons from the Balkans through Turkey seem at present to be best carried out by the War Refugee Board acting in cooperation with other interested governments, and, so long as this is so, the Intergovernmental Committee will not wish to enter this field. Licenses to American philanthropic organizations for transferring funds abroad are of course the province of the War Refugee Board.

- 5 -

More generally, it would seem imperative that the War Refugee Board and the Intergovernmental Committee keep each other fully, regularly and promptly informed of proposed and actual activities; and that their field representatives, in countries where both bodies are represented, should be instructed to cooperate in the same way. Any operational project submitted by the Intergovernmental Committee for the consideration of the governments of the United Kingdom and the United States in accordance with the procedure already approved by the two governments should be considered on its merits; and, if it is jointly financed by the two governments, it should usually be administered by the Intergovernmental Committee, but there might well be special circumstances which would make it appropriate and convenient for a given project to be carried out in partnership between the Intergovernmental Committee and the War Refugee Board, or otherwise.

In one respect it is possible to speak for the executive committee with all possible confidence. It would desire me to offer to the officials of the War Refugee Board our unstinted cooperation. The comprehensive responsibility which is borne by the Intergovernmental Committee is so large, and the rescue and relief operations on which it has been working - energetically but quietly - since last summer are so tragically urgent and so often disappointing in their results at the last moment, that we need the closest possible association with the fresh vigor and interest which the War Refugee Board represents.

s/s Herbert Emerson

14.4.44.

CABLE TO ALGIERS

From War Refugee Board to Ambassador Wilson and Ackermann

We have just received report from Schwartz in Lisbon that French are refusing to accept in Lyautey Sephardic Jews arriving in Spain after March 1, 1944. Report states further that 50 Sephardics now in Perpignan, France, awaiting admission into Spain and others still en-route will be excluded under this ruling.

Such a ruling would cause breakdown in plans to rescue Sephardic Jews still in Nazi territory, as Spanish Government will do nothing to rescue Sephardics unless assured that they will be removed from Spain soon after arrival. If after investigation you feel report is accurate, please take up at once with Comite representatives indicating unfortunate effects of such a step.

Schwartz has advised Beckelman concerning matter

THIS IS WRB ALGIERS CABLE NO. 5

April 24, 1944
1:45 P.M.

MJM:JWP:mgt 4/24/44

CABLE TO AMBASSADOR VINANT, LONDON

The War Refugee Board requests that you deliver the following message to Nathan Barou, 55 New Cavendish Street, London; QUOTE Please telephone Colonel Russel J. Fergan Mayfair eight four four four to make appointment to consider plans we discussed in London with Phillip Dreyfus. Signed Goldmann, World Jewish Congress, New York. UNQUOTE.

April 24, 1944

11:50 a.m.

LSLessertals 4/22/44

CABLE TO AMERICAN EMBASSY AT LA PAZ, BOLIVIA

The Department has been apprized that Papal Nuncio at Bern informed Minister Harrison that Vatican had attempted to work out relief measures for Jews holding Bolivian documents and interned by Germany. Apparently, the question of eventual immigration as result of possible exchange was raised in addition to the question of recognition of documents. Bolivia is reported to have replied that these persons would be received in Bolivia.

In transmitting the above for your information, the Department authorizes you to let it be known unofficially in appropriate quarters that the helpful intention of La Paz reported by Vatican, if carried out in fact, will be thoroughly appreciated here.

In addition, we transmit for your information an excerpt from a circular airgram to some Latin American Republics, dated April 10, as follows:

QUOTE Please also request the government to which you are accredited, on humanitarian grounds, affirmatively to approach the German government through the protecting power with a demand that the lives of all persons holding passports issued in its name or claiming its citizenship on the basis of consular documents be safeguarded and that they be given all rights, privileges and immunities accorded to civilian internees of enemy nationality to whom the Geneva Convention regarding the treatment of prisoners of war is currently applied by analogy. UNQUOTE.

You may let it be known unofficially in appropriate quarters that action along these lines is considered by this Government as the only effective means to save the persons concerned.

April 24, 1944

2:15 p.m.

BAkzin:jp 4/22/44

CABLE TO AMERICAN EMBASSY AT SAN JOSE, COSTA RICA

Refer to Department's airtel of March 31, 1108P.M., of April 10, 11:00 a.m. and of _____
 The Department has now been apprized that Papal Nuncio at San Jose informed Minister Harrison that Vatican had attempted to work out relief measures for Jews holding Costa Rican documents and interned by Germany. Apparently, the question of eventual immigration as result of possible exchange was raised in addition to the question of recognition of documents. Costa Rica is reported to have replied that it is disposed to recognize passports issued by its consuls only to the extent of eight families, and that these families would be allowed to remain in Costa Rica only for the duration of the war, unless the persons concerned are either farmers or industrialists.

At the time this reply is reported to have been given to Vatican, the assurance contained in our airtel of April 10 had evidently not (repeat not) yet reached Costa Rican government. It is therefore felt advisable to reiterate the assurance of this Government that Costa Rica will not (repeat not) be expected to grant physical admission to any of the persons concerned in the event of exchange or of any other procedure leading to their release. Under these assurances, Costa Rica would not (repeat not) be asked to permit any of these persons to enter its territory even temporarily, unless it so desires. Accordingly, the numerical limitation stated in Costa Rican reply to the Vatican seems no longer justified, and the hope is expressed that Costa Rica will agree to act in the sense of our airtel of April 10 without any numerical limitations whatsoever.

In the light of these assurances, please impress upon the Costa Rican government the extreme urgency of acquiescing in our requests and of acting upon them without delay. You should impress upon Costa Rican officials that since failure to act would almost certainly spell death for the persons involved, and that since no (repeat no) responsibility or obligations would result for Costa Rica from acquiescence in our requests, we would be sorely disappointed if Costa Rican authorities would not (repeat not) wholeheartedly cooperate with our efforts to save these people.

April 24, 1944

215 p.m.

XXXXXXXXXXXXXXXXXX

4/21/44

CABLE TO AMERICAN EMBASSY AT SAN SALVADOR, EL SALVADOR

With reference to Department's circular airgrams of March 31, 1:05 p.m., of April 10, 11:00 a.m. and of _____, the Department has now been apprised that Papal Nuncio at Bern informed Minister Harrison that Vatican had attempted to work out relief measures for Jews holding Salvadorean documents and interned by Germany. Apparently, the question of eventual immigration has result of possible exchange was raised in addition to the question of recognition of documents. Salvador is reported to have given a negative reply, presumably because it was not (repeat not) prepared to permit persons in question actually to enter Salvador.

At the time this reply is reported to have been given to Vatican, the assurance contained in our circular airgram of April 10 had evidently not (repeat not) yet reached Salvadorean government.

Please verify information received from Bern and reiterate this Government's assurance that, in the event of exchange, Salvador will not (repeat not) be expected to grant physical admission to any of the persons concerned even on a temporary or tentative basis.

In the light of these assurances, please impress upon the Salvadorean government the extreme urgency of acquiescing in our requests and of acting upon them without delay. You should impress upon Salvadorean officials that since failure to act would almost certainly spell death for the persons involved, and that since no (repeat not) responsibilities or obligations would result for Salvador from acquiescence in our requests, we would be sorely disappointed if Salvadorean authorities would not (repeat not) whole-heartedly cooperate with our efforts to save these people.

April 24, 1944

2:15 p.m.

BAksin:RLSmith/jp 4/21/44

CABLE TO AMERICAN EMBASSY AT GUATEMALA CITY, GUATEMALA

With reference to Department's circular airgrams of March 21, 1:05 p.m., of April 10, 11:00 a.m. and of _____ the Department has now been apprised that Papal Nuncio at Bern informed Minister Harrison that Vatican had attempted to work out relief measures for Jews holding Guatemalan documents and interned by Germany. Apparently, the question of eventual immigration as result of possible exchange was raised in addition to the question of recognition of documents. Guatemala is reported to have given a negative reply, presumably because it was not (repeat not) prepared to permit persons in question actually to enter Guatemala.

At the time this reply is reported to have been given to Vatican, the assurance contained in our circular airgram of April 10 had evidently not (repeat not) yet reached Guatemalan government.

Please verify information received from Bern and reiterate this Government's assurance that, in the event of exchange, Guatemala will not (repeat not) be expected to grant physical admission to any of the persons concerned even on a temporary or tentative basis.

In the light of these assurances, please impress upon the Guatemalan government the extreme urgency of acquiescing in our requests and of acting upon them without delay. You should impress upon Guatemalan officials that since failure to act would almost certainly spell death for the persons involved, and that since no (repeat no) responsibilities or obligations would result for Guatemala from acquiescence in our requests, we would be sorely disappointed if Guatemalan authorities would not (repeat not) wholeheartedly cooperate with our efforts to save these people.

April 24, 44
2:15 p.m.

BAK:ia:ELSmith/jp 4/21/44

CABLE TO AMBASSADOR WILSON AT PORT-AU-PRINCE, HAITI

Refer to your A-205 of April 12 and to Department's circular airgrams of March 31, 11:05 p.m., of April 10, 11:00 a.m. and of . The Department has now been apprized that Papal Nuncio at Bern informed Minister Harrison that Vatican had attempted to work out relief measures for Jews holding Haitian documents and interned by Germany. Apparently, the question of eventual immigration as result of possible exchange was raised in addition to the question of recognition of documents. Haiti is reported to have replied that it could take no (repeat no) action, presumably because it was not (repeat not) prepared to permit persons in question actually to enter Haiti.

At the time this reply is reported to have been given to Vatican, the assurance contained in our circular airgram of April 10 had evidently not (repeat not) yet reached Haitian government.

Please verify information received from Bern and reiterate this Government's assurance that, in the event of exchange, Haiti will not (repeat not) be expected to grant physical admission to any of the persons concerned even on a temporary or tentative basis.

In the light of these assurances, please impress upon the Haitian government the extreme urgency of acquiescing in our requests and of acting upon them without delay. While appreciative of the sympathetic consideration promised to you by Foreign Minister according to your A-205, this Government believes that only prompt specific action along the lines suggested in our circular airgrams can save the people concerned. You should therefore impress upon Haitian officials that since failure to act would almost certainly spell death for the persons involved, and that since no (repeat no) responsibilities or obligations would result for Haiti from acquiescence in our requests, we would be sorely disappointed if Haitian authorities would not (repeat not) whole-heartedly cooperate with our efforts to save these people.

April 24, 1944

2:15 P.M.

BAksin:ELSmith/jp 4/22/44

CABLE TO AMERICAN EMBASSY AT MANAGUA, NICARAGUA

Refer to Department's circular aigrams of March 31, 1:05 p.m., of April 10, 11:00 a.m. and of _____.

The Department has now been apprized that Papal Nuncio at Bern informed Minister Harrison that Vatican had attempted to work out relief measures for Jews holding Nicaraguan documents and interned by Germany. Apparently, the question of eventual immigration as result of possible exchange was raised in addition to the question of recognition of documents. Nicaragua is reported to have replied that it is disposed to recognize passports issued by its Consuls only to the extent of eight families, and that these families would be allowed to remain in Nicaragua only for the duration of the war, unless the persons concerned are either farmers or industrialists.

At the time this reply is reported to have been given to Vatican, the assurance contained in our circular aigram of April 10 had evidently not (repeat not) yet reached Nicaraguan government. It is therefore felt advisable to reiterate the assurance of this Government that Nicaragua will not (repeat not) be expected to grant physical admission to any of the persons concerned in the event of exchange or of any other procedure leading to their release. Under these assurances, Nicaragua would not be asked to permit any of these persons to enter its territory even temporarily, unless it so desires. Accordingly, the numerical limitation stated in Nicaraguan reply to the Vatican seems no longer justified, and the hope is expressed that Nicaragua will agree to act in the sense of our circular aigram of April 10 without any numerical limitations whatsoever.

In the light of these assurances, please impress upon the Nicaraguan government the extreme urgency of acquiescing in our requests and of acting upon them without delay. You should impress upon Nicaraguan officials that since failure to act would almost certainly spell death for the persons involved, and that since no (repeat no) responsibilities or obligations would result for Nicaragua from acquiescence in our requests, we would be sorely disappointed if Nicaraguan authorities would not (repeat not) whole-heartedly cooperate with our efforts to save these people.

April 24, 1944

2:15 p.m.

BAksin:RISmith/jp 4/21/44

CABLE TO AMERICAN EMULSIST AT ASSOCIATION, PARAGUAY

56

With reference to Department's A-118 of April 10 and the Department has now been apprised that Papel Funde at Bern informed Minister Harrison that Vatican had attempted to work out relief measures for Jews holding Paraguayan documents and interned by Germany. Apparently, the question of eventual immigration as result of possible exchange was raised in addition to the question of recognition of documents. Paraguay is reported to have been recognized by Paraguay.

It is further learned from Vatican sources that the trouble arose when the proposal was made to exchange these Jews for Germans located in South America. Jews who had Paraguayan passports were included in the list by Germany. A protest was made by Paraguay which stated that the passports had been illegally issued and Paraguay refused to recognize the passports. The Germans withdrew as a result of this and protection was suspended by Spain.

At the time this attitude is reported to have been taken by Paraguay, the assurance contained in our circular telegram of April 10 had evidently not (repeat not) been reached Paraguayan government.

Please verify information received from Bern and reiterate this government's assurance that, in the event of exchange, Paraguay will not (repeat not) be expected to grant physical admission to any of the persons concerned even on a temporary or tentative basis.

In the light of these assurances, please impress upon the Paraguayan government the extreme urgency of acquiescing in our requests and of acting upon them without delay. You should impress upon Paraguayan officials that since failure to act would almost certainly spell death for the persons involved, and that since no (repeat no) responsibilities or obligations would result for Paraguay from acquiescence in our requests, we would be sorely disappointed if Paraguayan authorities would not (repeat not) whole-heartedly cooperate with our efforts to save these people.

*****insert following line!
replied that the passports of Polish Jews at Vittals have.....

April 24, 1944
2115 p.m.

BAKVIN:WZmsh/1cm 4/28/44

CABLE TO AMBASSADOR WHITE AT LIMA, PERU

Refer to your A-357 of April 10, and to Department's circular airgrams of March 31, 1:05 p.m., of April 10, 11 a.m. and of

The Department has now been apprized that Papal Nuncio at Bern informed Minister Harrison that Vatican had attempted to work out relief measures for Jews holding Peruvian documents and interned by Germany. Apparently, the question of eventual immigration as result of possible exchange was raised in addition to the question of recognition of documents. Peru is reported to have replied that it could not (repeat not) recognize the passports in question, presumably because it was not (repeat not) prepared to permit persons in question actually to enter Peru.

At the time this reply is reported to have been given to Vatican, the assurance contained in our circular airgram of April 10 had evidently not (repeat not) yet reached Peruvian government.

Please verify information received from Bern and reiterate this Government's assurance that, in the event of exchange, Peru will not (repeat not) be expected to grant physical admission to any of the persons concerned even on a temporary or tentative basis.

In the light of these assurances, please impress upon the Peruvian government the extreme urgency of acquiescing in our requests and of acting upon them without delay. 48 individuals were already lost due to adverse action by Peru. Mere sympathetic consideration promised to you according to your A-357, though much appreciated by this Government, will not (repeat not) save the remainder. You should impress upon Peruvian officials that since failure to take prompt and affirmative action would almost certainly spell death for the persons involved, and that since no (repeat no) responsibilities or obligations would result for Peru from acquiescence in our requests, we would be sorely disappointed if Peruvian authorities would not (repeat not) wholeheartedly cooperate with our efforts to save these people.

April 24, 1944
2:15 p.m.

BAksin:ELSmith/jp 4/22/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Lima
TO: Secretary of State, Washington
DATED: April 24, 1944
NUMBER: 541

CONFIDENTIAL

Reference is made herewith to your confidential circular airgram of April 15.

A note has been requested by the Foreign Minister.

Speaking offhand he thought that no specific private agencies for this purpose in Peru and infant mortality high. Foreign colonies might possibly be willing to take certain number of their own nationals. Please cable, therefore, what nationalities in prospective child emigration are represented.

WHITE

PROPOSED TELEGRAM TO AMERICAN LEGATION, DUBLIN

Reliable reports indicate that there are in France eight to ten thousand orphaned or abandoned children or persons deported to Poland who are now being collected by Germans for similar deportation and probable death. Many are presently hidden in French homes. This Government, through War Refugee Board and in cooperation with Intergovernmental Committee, making every effort prevent deportation and facilitate children's emigration to neutral territory. American consular officers in Switzerland, Spain, and Portugal have been authorized issue to refugee children total five thousand immigration visas regardless of religion, nationality, or stateless status and regardless close relatives in enemy-occupied or controlled territory. Purpose this authorization is assurance to Swiss, Spanish, and Portuguese Governments that children will not remain their charges after termination hostilities. Canada, Australia and appropriate Latin American Governments are being approached with suggestion they take parallel action with regard to Switzerland.

With reference Department's 39, March 14, Bern advises that Minister Stucki has unsuccessfully (apparently on an informal basis) attempted obtain Laval exit facilities for children. No publicity should be given to Stucki's negotiations and temporary failure. We are accepting offer of Swiss Government to approach Vichy formally in an endeavor to obtain permission for the children to leave France. Please urge Government of Eire to take parallel action vis a vis Vichy. A similar request is being made of the Portuguese Government.

In presenting the foregoing to the Government of Eire, it is suggested that you explain that this proposal is on a level apart and entirely different from any discussions of a political or economic nature between our two governments.

April 24, 1944
2:15 P.M.

LSL:MS:JWP:mgt 4/24/44

AIR MAIL

No. 427

EMBASSY OF THE
UNITED STATES OF AMERICA

Lisbon, April 24, 1944

Subject: Transmitting Memoranda to War Refugee Board
on Refugee Situation in Portugal.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to transmit herewith a memorandum prepared by Dr. Robert C. Dexter, Special Attache to the Embassy for refugee matters, commenting on a report, a copy of which is enclosed, prepared by the British Embassy in Lisbon on the refugee situation in Portugal. Provided the Department perceives no objection, it would be appreciated if the memoranda would be forwarded to the War Refugee Board.

Respectfully yours,

For the Ambassador:

Edward S. Crocker
Counselor of Embassy

Enclosures:

1. Memorandum prepared by Dr. Dexter;
2. Report prepared by British Embassy.

300
MCR/ajl

APR 24 1944

U. S. DEPARTMENT OF STATE

RECEIVED

APR 24 1944

U. S. DEPARTMENT OF STATE

RECEIVED

Enclosure no. 1, despatch no. 427 dated April 24, 1944,
from the American Embassy in Lisbon.

MEMORANDUM

To: The War Refugee Board

From: Robert C. Dexter, Special Attache

I have the honor to transmit herewith a detailed and comprehensive report on the refugee situation in Portugal which was recently submitted to the British Government by the British Embassy in Lisbon. This data was carefully gathered by the Embassy on the basis of reports submitted by the various refugee agencies, and I believe that the facts given are correct and I agree with most of the conclusions.

There are one or two points on which comment is necessary and a paragraph is added which gives a more complete picture of the situation of the Spanish Republican refugees who at the moment present the most serious problem in Portugal. It should be added in this connection that if any arrangement could be made for the evacuation of Spanish refugees, it would improve the situation in regard to other refugees in this country.

The following are comments on the British report appended hereto:

Page 2, Paragraph 1. (a): Plans are now under way to admit children from the occupied countries.

Page 2, Paragraph 1. (b): The present political and military situation in Slovakia, Hungary and Rumania makes this suggestion at the moment impracticable.

Page 3, Paragraph 2. (a): We would strongly emphasize the importance of this recommendation.

Page 3, Paragraph 2. (b): As is indicated, the British Government is making an effort to carry this recommendation into effect, and we would urge that our Government assist in every possible way.

- 2 - .

Page 4, Paragraph 3: We would strongly emphasize the importance of this suggestion, both on behalf of the refugees now here, many of whom have been here for a long time, and of others who are in greater danger. The Portuguese would presumably be more willing to take newcomers if those here were evacuated.

Page 4, Paragraph 3 (z): We agree with the British conclusion in regard to parcels but believe that with proper care on the part of the sending agencies it might be possible to send food which would not fall into German hands. However, this is a moot point and should have careful consideration.

There follows the paragraph on Spanish refugees referred to above.

SPANISH REFUGEES

The problem of the Spanish refugee is, by all odds, the most serious, measured either in terms of numbers or difficulty. Estimates of the number of Spaniards now in Portugal illegally vary from 1000 to 3000. New people come into the various relief offices every few days, many of them extremely exhausted from their journey over the frontier and totally destitute. It seems probable that a much greater number find shelter among kindly disposed Portuguese, at least for a time. Many of these apply to one of the committees when they are obliged to move or have some expenses. There are a few women and some families among these refugees, but the great majority are single men.

Any Spaniard caught without papers by the police is thrown into prison, sometimes treated with brutality, and a number of cases are definitely known when they have been returned to Spain. We know of 25 such cases, and there are probably more. Some who have been returned manage to escape and reappear the second or third time. Others are never heard from after their return, and it is quite possible that some of them are executed, since they have death sentences hanging over them. For some weeks after the announcement of the amnesty in Spain few additional Spaniards arrived, but before long they were coming in greater numbers than ever. It was said that a great many political prisoners had been released but they were being re-arrested on trivial charges.

- 3 -

Information which has come within the last twenty-four hours indicates that, presumably owing to increased Spanish pressure, a number of Spanish Republican refugees who were living comparatively safely in one of the towns outside Lisbon are now being returned to Spain. Just why this action should be taken at this time is unknown, but it emphasizes the seriousness of the present situation.

There is no solution at present in sight for most of these Spanish refugees in Portugal. A very few have been able to escape clandestinely through their own efforts and a very small number have received visas for some country in the Western Hemisphere. Some Spaniards are able to make a plausible claim to South American citizenship, and in those cases there is hope of getting them out, but for others there is practically no chance.

Any information concerning the proposed plan for Mexican visas for these refugees would be appreciated. At the moment this seems to be the only possibility of help.

RCD/ajl

Enclosure no. 2, despatch no. 427 dated April 24, 1944,
from the American Embassy in Lisbon.

MEMORANDUM transmitted by the British Embassy, Lisbon,
to the Foreign Office, London.

Paragraph 3 of Foreign Office despatch No. 69, first
sentence.

As Portugal does not border directly on Axis-controlled territory, there has been little that we could do directly to assist in "rescuing the victims of enemy oppression ...". What we have been able to do in some small measure is to help refugees who have escaped from Axis-occupied Europe into Spain to obtain transit visas for Portugal, and to assist refugees who have reached Portugal either legitimately or clandestinely and arrange where possible for their onward journey. Our contribution has in fact been not the rescuing of the refugees from enemy oppression, but primarily their protection (especially from harsh treatment by the Portuguese Police) after they have reached Portugal. But while we have made no distinction of race or religion, we have made a definite distinction of nationality in that we have given all possible support to Allied missions for the protection and evacuation of their nationals, but have only intervened on behalf of enemy nationals or stateless persons in exceptional cases on their merits. Generally speaking the protection of these persons has been left to the Jewish organizations and to the Unitarians and the Quakers.

To explain the position clearly it is necessary to give a brief account of the situation of refugees in Portugal:-

The Portuguese Government soon after the first influx of refugees following the fall of France adopted the principle that no refugees from Axis Europe could remain in Portugal. Since that time they have only given transit visas to refugees and have generally insisted on a guarantee of early departure.

Refugees arriving in Portugal may be classified as follows:-

(A) Refugees with their papers in order.

These possess transit visas and visas of ultimate destination. They may reside anywhere in Portugal, but they are warned that

- 2 -

they must leave the country within a certain period (generally 30 days). In order that a check may be kept on them they have to report to the Police every 15 days for the renewal of their residence permit. If at the end of the specified period they have not left the country, they are sent, if they have adequate funds, to Caldas da Rainha in "residence forces". If they have no funds, they go to prison.

(B) Refugees whose papers are not in order (who have arrived in the country clandestinely).

(i) Allied refugees.

By special arrangement with the International Police the names of these persons are given to the Police and on their arrival in Lisbon they are sent to an agreed place of residence near to Lisbon until such time as they can be sent out of Portugal. (Some approved stateless refugees have been included under this arrangement.) If, however, any of these refugees are arrested on the road to Lisbon, they go to prison and have to remain there until arrangements can be made to send them out of the country.

(ii) Jewish refugees (insofar as they are not covered by (i)).

The Jewish organisations have found by experience that the best method is for these refugees to give themselves up to the police on their arrival in Lisbon. They then go to prison but the Jewish organisations generally manage to get them out after a certain period (unless they were born in Russia - see below). They are then placed in forced residence at Caldas or elsewhere.

(iii) Other refugees (enemy nationals, stateless persons and Spaniards).

Most of these know that they should get in touch with the Unitarians or the Quakers. The Unitarians have found by experience that it is better for non-Jews not to give themselves up to the Police. The police are, in fact, more lenient towards Jews. Non-Jewish refugees they tend to treat as inso facto communists. (The Unitarians also take under their wing Jewish refugees born in Russia, who, if they followed the advice of the Jewish organisations would languish in prison indefinitely.)

- 3 -

Thus the Unitarians (and to a less extent the Quakers) have under their care a number of stateless refugees and Spaniards who are living clandestinely in Portugal with their papers not in order. If any of these refugees fall into the hands of the police they go to prison. The Unitarians and the Friends give them such help and protection as they can there, but they do not often succeed in getting any of them out of prison.

The number of refugees (not including Spaniards) at present in Portugal is not exactly known but it is probably about 800, of whom by far the greater part are in forced residence. Conditions of life in places of forced residence are quite agreeable though naturally demoralising over a long period of time. But conditions in some of the Portuguese prisons are very bad, and insanitary. There have been few cases of maltreatment or beating of Jewish refugees, but the Unitarians have authenticated cases of brutal maltreatment of non-Jews. There is also the danger, particularly for Spaniards but also (to a lesser degree) for Germans, that they will be put back over the Spanish border (cf. the case of Senhor Lopes Real - Foreign Office despatch 66 of February 17th).

All the refugee organisations have submitted memoranda to the U.S. Legation suggesting ways in which more can be done for refugees. The memorandum by the Joint Distribution Committee which is the clearest and most constructive, is attached for information; briefly, the recommendations of the organisations may be summarised under three headings:-

1. Facilitating the entry of refugees into Portugal.
2. Improving the lot of refugees in Portugal.
3. Facilitating their departure from Portugal.

Under 1, the following suggestions were made:-

(a) that the Portuguese Government be asked to admit into Portugal such children (both Jewish and non-Jewish) from France and other occupied countries as may succeed in escaping into Spain, either for a limited period until they are evacuated, or for the duration of the war. In this connexion it was pointed out that the U.S. Government had agreed to grant up to 5,000 visas for children in France.

(b) If the Portuguese would give immigration visas to Jews in some of the satellite countries like Slovakia, Hungary and Roumania they might be given exit permits by those governments. It might be necessary in this connection to give a guarantee that such refugees would be evacuated a reasonable time after they had reached Portugal.

- 4 -

(c) That the Portuguese Government be asked to change their present policy of refusing admission to all refugees born in Russia.

(d) That the Portuguese Government be urged to grant entry visas to relatives of refugees stranded in Portugal.

Under 2, it was suggested:-

(a) that in view of the small numbers of refugees now remaining in Portugal, the Portuguese Government be asked to remove, or at least to relax, the ban forbidding them to work or exercise a trade.

(b) that the Portuguese Government be asked to facilitate the transfer of refugees from prison to residence forcees.

(c) that representations be made to the Portuguese Government against the brutal treatment sometimes meted out to refugees (usually non-Jewish).

Under 3, various suggestions were made about arranging destinations for refugees in Portugal or awaiting visas for Portugal, it being understood that the attitude of the Portuguese Government to admitting further refugees would be to a great extent conditioned by the speed with which refugees left the country.

Three suggestions of a more general nature are also made in the memoranda:-

x. That the Portuguese Government should allow Portuguese shipping to go to Constanza in Roumania to pick up 5,000 Jewish children from Transnistria awaiting transport to Palestine.

y. That plans should be prepared now for dealing with the influx of refugees into the Peninsula which is to be expected on the opening of the second front.

z. That permission (from the U.S. Government and His Majesty's Government) be given for the despatch of increased numbers of parcels from Portugal to the ghettos, internment camps, etc. in occupied Europe.

Of the above suggestions, 1(a) would seem to deserve sympathetic consideration and support, insofar as it does not interfere with more important considerations (see Foreign Office despatch

- 5 -

No. 123 of the 27th March and Madrid telegram No. 494 to Foreign Office of the 30th March). The Portuguese Government would be likely to respond to an appeal on humanitarian grounds for a certain relaxation of their visa regulations, especially in the case of children and especially if we and the U.S. Government were able to give some guarantee that the recipients of the visas would not remain an undue length of time.

1(b) would seem impracticable

1(c) would seem worth trying. The Portuguese attitude on this point is childish.

1(d) is perhaps worth trying.

2(a) is a reasonable suggestion but likely to meet with resistance from the Portuguese.

2(b) is another suggestion which deserves sympathetic consideration, although the number of persons affected is probably not so very great. Mr. Hart has suggested that we should arrange with the International Police for the establishment of a place of residence to which persons to whom we (and the U.S. Government) were prepared to give limited protection could go. It should in this way be possible to get some people out of prison and give others at present in hiding reasonable security and facilitate the task of evacuating them, if destinations can be found for them. All expenses would, of course, fall on the refugee organisations concerned. This would, of course, raise a security problem, as, if we are to protect refugees without distinction of race, religion or nationality, we must be satisfied that none of the refugees in question are undesirable. (N.B. Although from the humanitarian point of view refugees from Spain constitute an identical problem to refugees from occupied Europe, political considerations would presumably make it impossible for us to afford them even such limited protection. They would have to be left to the care of the Unitarians - I believe the Mexican Legation also helps sometimes.)

2(c) would, I think, be better kept in reserve. If arrangements can be made to get the unfortunates (that is those against whom there is no security objection) out of prison we shall have gained our point.

- 6 -

3. It should be possible to arrange destinations for the small numbers of refugees still in Portugal. If destinations in America cannot be found for all, could the remainder be sent to the Fedhala camp in North Africa? His Majesty's Government and the United States Government might consult together on this point. One difficulty, of course, is that many of these refugees do not want to leave Portugal. They want to stay and wait for the collapse of the Axis so that they can get back quickly to the countries from which they have been driven.
 - x. seems impracticable.
 - y. is an important consideration. But will there be an influx of refugees to the Peninsula when the second front opens. That will no doubt depend on circumstances but it is a contingency for which we ought to be prepared.
 - z. is bound up with our general policy as regards despatch of parcels to occupied territory.

DRAFT OF TELEGRAM TO AMERICAN LEGATION, LISBON

Reliable reports indicate that there are in France eight to ten thousand orphaned or abandoned children of persons deported to Poland who are now being collected by Germans for similar deportation and probably death. Many are presently hidden in French homes. This Government, through War Refugee Board and in cooperation with Intergovernmental Committee, making every effort prevent deportation and facilitate children's emigration to neutral territory. Consular officers in Switzerland have been authorized to issue four thousand immigration visas to children under similar conditions and for like purpose stated in Department's 1017 of April 12. Bern advises that Minister Stucki has unsuccessfully (apparently on an informal basis) attempted obtain from Laval exit facilities for children. No publicity should be given to Stucki's negotiations and temporary failure. We are accepting offer of Swiss Government to approach Vichy formally in an endeavor to obtain permission for the children to leave France. Please urge Portuguese Government to take parallel action vis-a-vis Vichy. A similar request is being made of the Government of Rome.

Please advise Department your progress in this matter.

THIS IS WEB LISBON CABLE NO. 4

April 24, 1944

1145 p.m.

LSL:ecar

WST:mish/len

4-22-44

CABLE TO AMBASSADOR HAYES AT MADRID

Refer to Department's 992 of April 10, and ___ of _____. The Department has now been apprized that the Papal Nuncio at Bern informed Minister Harrison that Vatican had attempted to work out relief measures for Jews interned by Germany and holding Latin American documents. Apparently the question of eventual immigration to respective countries as result of possible exchange was raised in addition to the question of recognition of documentation. Presumably, this explains negative results of Vatican's efforts.

The Vatican did not (repeat not) give any assurances that in no (repeat no) event would the Latin American countries be expected physically to admit the persons concerned. In our despatches to our missions in Latin America, referred to in our 992 of April 10, we gave this assurance most emphatically and undertook to arrange for refuge elsewhere. We hope therefore to obtain Latin American consent to recognition and exchange.

The Department is communicating with Vatican also suggesting cooperation on the basis of our assurances to Latin Americans.

The above is for your information and to facilitate your efforts to carry out objectives outlined in our 992 of April 10.

It was further stated by Nuncio at Bern that Nuncio at Madrid had been requested to ask the Spanish government to inform Spanish Ambassador at Berlin of gravity of peril of Polish Jews with Paraguayan documents and to insist that he urgently give them effective protection.

Please make similar representations on behalf of Jews and others with Paraguayan or any other Latin American documents, acting jointly with Papal Nuncio or on your own if joint action not (repeat not) immediately forthcoming.

Your attention is again drawn to urgency of the issue and to necessity that Department be promptly informed of the progress which you are making.

*****April 24, 1944

2:15 p.m.

BAksin:jp 4/20/44

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 2384

Madrid, Spain, April 24, 1944.

Subject: Representations to Spanish Government on subject
of welfare of refugees interned in German custody
bearing documents issued in names of certain
American Republics

CONFIDENTIAL

The Honorable
The Secretary of State,
Washington.

Sir:

Supplementing my confidential telegram No. 1397 of April 21, 1944, 6 p.m. to the Department, I have the honor to enclose copies of the Embassy's Notes Verbales No. 2325 and No. 2326 of April 19, 1944 which were addressed to the Ministry of Foreign Affairs in accordance with instructions contained in the Department's confidential telegram No. 992 of April 10, 1944, 10 p.m. concerning the interest of the Government of the United States in the welfare of a large number of persons reportedly in possession of passports or other documentation issued in the names of certain countries of the Western Hemisphere who are said to be held at the present time in internment camps and prisons in German and German-occupied territory.

The first of the enclosed Notes Verbales sets forth the assurances contained in the Department's telegram No. 992 concerning plans for the exchange of these persons against German nationals interned in the Western Hemisphere and requests the cooperation of the Spanish Government in helping to safeguard their lives until such time as those plans can be put into effect, while the second requests the good offices of the Spanish Government in arranging for the return to Vittel of 238 South American and American citizen internees reported to have been removed from there on March 31, 1944 to an unknown German prison.

- 2 -

As was stated in the Embassy's telegram under reference, a competent official of the Ministry stated, upon the receipt of the Embassy's representations, that the Spanish Government had not been previously informed concerning the latter report, but gave assurance that it would make every effort to comply with the Embassy's request at the earliest possible moment.

Respectfully yours,

/s/ Carlton J. H. Hayes

Enclosures:

1. Note Verbale No. 2325
2. Note Verbale No. 2326

File No. 800

NWB/jf

Original to Department

Copy to Algiers

Enclosure No. 1 to despatch No. 2384 dated April 24, 1944 from Carlton J. H. Hayes, American Ambassador, at Madrid, Spain on subject of Welfare of Refugees Interned in German Custody Bearing Documents Issued in Names of Certain American Republics.

No. 2325

NOTE VERBALE

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs and has the honor to refer to the reported presence in internment camps and prisons in German and German-occupied territory of a large number of persons, the majority of Jewish race, in possession of passports or other documentation issued in the names of certain countries of the Western Hemisphere, including Chile, Costa Rica, Ecuador, El Salvador, Haiti, Honduras, Nicaragua, Paraguay, Peru and Venezuela, and to bring to the attention of the Spanish Government the earnest preoccupation of the Government of the United States with the fate of these persons.

Pursuant to this interest on the part of its Government, the Embassy has been instructed to inform the Spanish Government (1) that discussions with the Governments of the American Republics concerned are being undertaken by the Government of the United States looking toward a further exchange of civilians between those countries and Germany; (2) that all persons now held in German-controlled territory who are in possession of passports or other documents issued in the names of those countries will be considered eligible for exchange under the proposed arrangement; and (3) that until such exchange does, in fact, take place, it is expected that they will be accorded by the German Government the same rights, privileges and immunities which that Government expects to be accorded to its nationals interned by those countries in the Western Hemisphere.

In order that the lives of these innocent persons may be safeguarded until such time as provision can be made for their removal to places of refuge, the Embassy of the United States of America requests, on behalf of its Government, that the Spanish Government instruct its Ambassador in Berlin to afford them all possible protection and that, on the basis of the assurances given above, it endeavor to make known to the proper German authorities the continuing interest on the part of the American Republics concerned in the welfare of all those individuals, interned or imprisoned in German custody, who hold passports or other documents issued in their names.

- 2 -

In bringing this matter to the attention of the Spanish Government the Government of the United States believes that, by virtue of the purely humanitarian considerations involved, it should be considered as entirely apart from any problems of an economic or political nature pending between the two Governments, and is confident that it can count on the prompt and wholehearted cooperation of the Spanish Government in ensuring that the fate of these persons will be decided in a manner consistent with the principles of humanity.

Madrid, April 19, 1944.

NWB/jf

/jf

COPY

Enclosure No. 2 to despatch No. 2384 dated April 24, 1944 from Carlton J. H. Hayes, American Ambassador, at Madrid, Spain on subject of Welfare of Refugees Interned in German Custody Bearing Documents Issued in Names of Certain American Republics.

No. 2326

NOTE VERBALE

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs and has the honor to refer to its Note Verbale No. 2325 of April 19, 1944 requesting the cooperation of the Spanish Government in safeguarding the lives of persons now held in internment camps and prisons in German and German-occupied territory who are in possession of passports or other documents issued in the names of certain countries of the Western Hemisphere, and to bring to the attention of the Spanish Government the reported removal on March 31, 1944 of 234 South American internees and 4 American citizens from the German internment camp at Vittel to a German prison, the location of which remains unknown.

Pursuant to the principles set forth in the Embassy's Note Verbale under reference and on the basis of the assurances contained therein, the Embassy requests that the Spanish Government endeavor to ascertain the circumstances under which the reported transfer was effected, and to use its good offices to obtain the return of the group concerned to their original place of internment at Vittel pending the completion of arrangements for their removal to the Western Hemisphere in exchange for German nationals now interned in that area.

Madrid, April 19, 1944.

NWB/jf

/jf

CABLE TO MINISTER JOHNSON AND OLSEN, STOCKHOLM

(As modified by Mr. Warren of State, on April 24, 1944.)

Reference is made to your 1235 of April 11. War Refugee Board appreciates importance of Hellsted statement regarding extent of danger from Gestapo to many Germans, Swedes and others. Board is charged with rescuing QUOTE the victims of enemy oppression who are in imminent danger of death UNQUOTE regardless of religion, nationality or stateless status. Accordingly, Board would warmly welcome Swedish action to afford rescue to all groups in Finland which would especially be endangered as a result of increased German influence.

Concerning Hellsted's remark that permission to refugees and others to enter Sweden would amount to discrediting Finnish government, Board suggests that you refer him and other Swedish officials to Boheman statement reported in your 908 to the effect that the Finnish government has itself applied for the admission of Jewish refugees.

With respect to the questions reported in your 1235, the Board holds that all persons referred to in our 724 of April 21 are in danger. It is prepared to make arrangements for the evacuation from Sweden, as soon as practicable, of all persons, other than Swedes, who may be accorded refuge in Sweden, and for the maintenance in Sweden of such refugees who cannot claim the support of their own governments.

Your 1379 of April 21 received. Swedish action in authorizing as a starter 100 visas to central European refugees now in Finland appreciated. Board deeply concerned about danger threatening not only 113 Jewish refugees from Germany and Austria previously referred to but also 2600 others detailed in our 1724 of April 21 in which Board's attitude is fully explained. Board fully associates itself with your representations in your 1209 of April 8.

In light of your 1379 of April 21, Board assumes that the Hellsted statement does not (repeat not) in any way modify the confidential assurances given by Boheman and reported in your 908 of March 16. Any confirmation of said assurances will be welcomed and should you consider that danger is imminent please press immediately for further action.

Reference made Olsen's No. 3. Board gratified by favorable Swedish reaction to his appointment and approves statements made to press.

This is WRS Cable No. 4

Raknia;MStandish/jp 4/20/44

CABLE TO STOCKHOLM

To Minister Johnson from War Refugee Board.

Re your 1355. Temporary employment Miss Foue Filseth at \$3,000 per annum and Miss Ulla Afvirsen at \$1440 per annum authorized. Olsen should send personnel information promptly. You will be informed subsequently by State Department as to manner in which salaries should be paid.

THIS IS WEB STOCKHOLM CABLE NO. 7

April 24, 1944
1:30 p.m.

WStewart; pdk 4/22/44

No. 3223

Stockholm, April 24, 1944

Subject: Transmission of Original and Copy of a
Communication to the War Refugee Board.

The Honorable
The Secretary of State,
Washington, D. C.

Sir:

I have the honor to transmit the original and copy of a communication to the War Refugee Board, enclosing certain general information regarding the situation of Jews in Sweden and the position of stateless refugees in Sweden. It is requested that the original be transmitted to the War Refugee Board.

Respectfully yours,

HERSCHEL V. JOHNSON

Herschel V. Johnson.

Enclosure:

Original and copy of a communication to the War Refugee Board.

File 848/CIO/be

Original and hectograph to Department

848/ICG/be

Stockholm, Sweden
April 24, 1944

Mr. John W. Pehle
Executive Director,
War Refugee Board,
Washington, D. C.

Dear Mr. Pehle:

As of possible interest to the Board, I attach a copy of a summary of the situation of Jews in Sweden, prepared by a member of one of the Mosaic organizations here.

Recently I asked Miss Filseth of the Socialstyrelsen to give me a summary of the position of stateless refugees in Sweden, a copy of which is also attached.

Sincerely yours,

Iver C. Olsen,
Special Attache for
War Refugee Board.

Enclosures:

1. - Copy of a summary of the situation of Jews in Sweden.
2. - Copy of a summary of the position of stateless refugees in Sweden.

COPY/be

Stockholm, April 19, 1944

Am/L

South African Jewish War Appeal
P.O. Box 5991
Johannesburg

Dear Sirs,

Through the Royal Foreign Office the Jewish Congregation of Sweden has been informed that you have asked the Swedish Consulate General in Pretoria for a report on the situation of Jews in Sweden. Since it is taken for granted that you are chiefly interested in getting information about the situation of the different groups of refugees in this country, the undersigned, who is secretary of the committee appointed by the Jewish Congregation for the relief of the refugees in Sweden has been instructed to inform you as follows:

Before the outbreak of the war, approximately 3,000 refugees of Jewish descent were staying in Sweden. Among these emigrants, mostly hailing from Germany and Austria, a - comparatively speaking - great number were depending - entirely or in part - on our assistance. In August 1939 those assisted by us could be classified in three groups:

a) Completely destitute persons, whose number amounted to about 230. The main part of this group consisted of persons without labour permit, or, because of illness, advanced age or other circumstances unfit for work.

b) About 300 Chaluzim.

c) About 460 Jewish children. These children had been taken to this country as transmigrants in order to enable their parents left in Germany to effect their own emigration overseas or to Palestine and have the children join them later on.

Thus, in the early autumn of 1939, the Swedish-Jewish Aid Organisation had to take care of all together 1,000 persons.

The first refugees who were forced here by the war-conditions were Poles and among them a comparatively great amount of Jews. Most of them wanted to continue via Sweden to other European or Overseas countries. However, quite a considerable group of these potentially transmigrant Jews remained in this country and many of them became dependent on our assistance. In due course, though the Polish Legation has taken charge of these refugees.

The situation

The situation for those refugees in Sweden who intended to continue migrate underwent a fundamental change, when as a result of the events in the spring of 1940 sailing from Scandinavia to non-European countries became almost impossible. As a consequence, from that time on the refugees wanting to leave for the United States or other American countries were forced to travel the eastern route (via Finland, Russia, Japan) which, of course, meant an extremely great strain on our financial resources. Before the outbreak of the German-Russian war we had also been able to start a contingency of Chaluzim and Aliyah-children on their way to Palestine via Russia, Turkey and Syria (Iraq).

When as a further result of the war the route via Russia was stopped further emigration from Sweden was made impossible and similarly, of course, transmigration. Therefore, from that time on our work has been chiefly limited to different forms of direct relief.

Since the end of 1941, it has not been at all possible for Jews still living in Germany or German occupied countries to emigrate to this country in a legal way.

In the autumn of 1942 a new influx began, caused by the persecution of Jews in Norway. These Jewish refugees crossed the frontier illegally mostly with the assistance of Norwegian patriots. The number of Jews from Norway who took refuge in Sweden amounted to 690, while the remainder of Norwegian Jewry - about 800 - was deported to Germany. Those of the Jews, escaped from Norway to this country, who were Norwegian citizens were given financial and social aid by the Refugee Office of the Royal Norwegian Legation to Sweden; the stateless refugees were assisted by the proper Swedish authorities. At the time we contributed a lump sum for providing the last mentioned category with clothes and other necessities.

When about a year later the persecution of Jews in Denmark began, Jewish relief work in Sweden was set a new great and difficult task. Within a single month about 6,000 Jews managed - also in the case with the help of native patriots - to escape across the sea from Denmark to Sweden. It may be supposed that of Denmark's Jews about one thousand have been deported. Immediately on the arrival of the Danish Jews in Sweden provisional accommodation in camps was found for the majority of refugees; some of the refugees with special connections to people in this country were to a certain extent allowed to choose their domicile freely. For some months aid to Jews from Denmark was supplied from both public and Jewish sources; afterwards the Danish Legation in Stockholm has undertaken the burden of the assistance of these Jews as well as of stateless Jews migrated from Denmark. However, the re-

sources of

- 3 -

sources of the Danish Refugee Office are limited and have to be administrated carefully. We, therefore, have undertaken to grant additional aid to these Jewish refugees. Thus, we have established three homes for aged people, given scholarships and to a very large extent given clothing help and provided for lodging. Besides, we have appropriated money for Jewish religious purposes, especially for religious instruction and for the extra expenses arising from the orthodox manner of living. This extensive refugee aid exceeds very substantially the sum set aside in our general budget for such purposes so that at the end of last year we were forced to make an appeal to all Swedish Jews for contributions which met great response. We may mention that in addition we have received considerable contributions from Jewish organizations in England, the U.S.A. and Palestine.

To give you an idea of the approximate economic extent of our activities, we submit some figures pertaining to 1943.

Our total income amounted to ca. Kr. 1,225,000:-. The Swedish Government appropriates a certain amount for aid to Refugees; a State contribution of Kr. 150,000:- is included in this sum. The remaining income is derived from congregation taxes, voluntary contributions and donations from abroad. On the debit-side current relief constitutes the by far largest item. At present we are keeping 7 homes for children. Though the Chalusim are earning most of their living themselves, we are forced to give them current financial assistance for social (e.g. maternity help) and Jewish-cultural purposes. Our total expenses during 1943 amounted to ca. Kr. 850,000:- so that in the beginning of 1944 there remained a balance of Kr. 375,000:-. However, we cannot regard this sum as an asset in the proper sense, because we have already pledged ourselves to the Danish Refugees Office to pay a sum of Kr. 330,000:- for different purposes in 1944. Because of the extremely increased expenses we have been forced to raise the already comparatively high congregation taxes by 25%.

Our survey of the Swedish-Jewish relief-work would not be complete without mentioning something about our efforts in favor of distressed Jews outside Sweden.

In the autumn of 1941 the German authorities, as mentioned above, proceeded to prohibit Jews in general from leaving Germany or the occupied territories. Simultaneously - as is well known - deportations began in a large measure. Though there was a minimal chance to succeed we tried to save individual Jews by obtaining entrance permits from the Swedish authorities. Beyond that, in exceptional cases, Jews who had especially close connections with Sweden have been granted Swedish citizenship. However, all these efforts to get the Jews into this country met with very little success.

Within our

Within our limited means, we endeavoured to help utterly destitute Jews outside Sweden by sending them money and food. Money was sent, among other places, to Palestine, France, Rumania, the Government General (Gracow), the Protectorate Bohmen-Mahren (Theresienstadt), Shanghai. The total expenses for this non-Swedish help amounted to about Kr. 320,000:- last year. This sum was raised partly by private voluntary contributions, partly by the Swedish branch of the organisation "Save the children" which placed funds to the amount of Kr. 165,000:- at our disposal.

Generally speaking, the situation of the Jewish refugees in Sweden may be described as being good. The economic situation of the refugees is improved because the general conditions have given increased opportunities for work so that quite a number of formerly unemployed refugees can now earn their own living.

Of course the Jewish immigration of these last years - having added some 10 - 12,000 Jewish refugees to our congregations which normally consisted of together 6, - 7,000 Jews - has given rise to antisemitic propaganda in certain quarters. However, antisemitism can not be said to be deeply rooted in Sweden.

The Swedish authorities have constantly shown great understanding and given extensive cooperation to our efforts. One outstanding instance is the way the Danish refugees were received and assisted. Many non-Jewish private groups have also been of great assistance.

We hope that the outline of our work which we have tried to give to you in this letter is the information you desire and are glad to supply any additional information you may wish. The information contained in this letter is for your private use only and not intended for publicity. You would greatly oblige by cabling acknowledgment of receipt.

I have the honour to be, dear Sirs,

Very respectfully yours,

Franz Arnheim
Secretary.

COPY/be

The position of stateless refugees in Sweden.

The stateless refugees in Sweden can be divided into the following groups:

1. The stateless refugees who arrived in Sweden from the middle of Europe after 1933.
2. The stateless refugees who escaped from Norway after the ninth of April 1940, and found asylum in Sweden, and those who have escaped in 1942 and later on, chiefly Jews, on account of programs.
3. The stateless refugees from Denmark, arrived in Sweden after the first of October 1943, chiefly Jews on account of the programs.
4. Stateless refugees from other countries who during the war have been "washed ashore" in Sweden.

A rough estimate shows that the total number of refugees of all nationalities staying at present in Sweden amounts to between 40-50,000 of which some thousands, probably between 7-8,000 are stateless. Most of these have by and by found themselves jobs and work. The last statistical review shows that of all refugees staying in this country only about 3,000 are permanently public charges.

Of Group 1, it is considered that the most have been given work, or have got their means granted by the Swedish Authorities and other organizations.

Of Group 2, arrived about 600 refugees from the ninth of April 1940 to the end of 1943 in Sweden. Of these about 50 have gone overseas, which leaves 550, including 350 Jews.

Of these stateless refugees, the Royal Norwegian Legation Refugee Department in Stockholm has consented to help those who have stayed in Norway continuously for at least twenty-five years before their escape to Sweden, when they feel like Norwegians, and it is not on purpose that they haven't applied for Norwegian citizenship before. The other stateless refugees, however, are referred to The Swedish Kungl. Socialstyrelsen.

Of Group 3, It is difficult to give exact numbers, as the Royal Danish Legation Refugee Department in Stockholm does not distinguish between Danish and stateless refugees. One can however, with certainty estimate that about 2,000 stateless refugees have arrived in Sweden from Denmark.

Of Group 4,

Of Group 4, there are several minor groups of refugees who in the course of events have arrived here from many different countries, and the number of whom it is difficult to give. Some must still be regarded as citizens of foreign countries, but under the present conditions they have no Legations of their own to address to. F. inst. the refugees from the Baltic States have here in Sweden been given aliens passports.

Ad. Passports.

An exceptional position have the checz refugees who, both in Norway and in Denmark for some years have been regarded as "stateless". In Sweden however, these refugees have been granted Checz citizenship by the Czech Legation in London. The Polish Legation in Stockholm has also supplied the Polish refugees with passports.

All the other stateless refugees have become Swedish aliens passports.

Ad. financial support.

All matters concerning financial support are dealt with by the Swedish authorities through the Kungl. Socialstyrelsen, and this support is given following approximately the same rules as for the usual unemployed. The amount in question is much lower than the rates held by the Refugee Departments of the Royal Danish and Norwegian Legations respectively.

Alterations have been suggested in this respect, and has been attempted from different sources to effectuate a rise in the financial support already granted. This action has, however, gained no results, as it has officially been pointed out that refugees can not expect better conditions than the Swedish unemployed.

Ad. juridical rights.

The refugees have no authority to which they can address for juridical aid. In most cases they are referred to the goodwill and help of civilians, and they are often prevented from the full maintenance of their legal rights as the necessary connections are missing. For instance, the refugees who are kept in prison or held by the authorities for political or other reasons, could become free if they had some place to live, or if some authority was present which could undertake their interests, as to get them work, or give them any possibility to become independent.

Ad. Moral

- 3 -

Ad. Moral support.

Usually it is not the financial support which is most decisive or of the greatest importance for the refugees. As often it is important that they have some institution or persons with whom they can discuss their difficulties and position as a whole. Their problems can seem mere trifles for others, but for themselves these often appear large and even insurmountable. They need someone who can advise them, settle their difficulties and make things easier for them. They have thus usually no one to tell them what they can do, or what they ought to do, so that they in most cases have no clear conception of their legal claims on the civil authorities, according to international law, owing to their inability to master all regulations in language foreign to them. In short they need someone who can take all such matters in hand for them. As a result they feel isolated and put aside.

Ad. Schools and education.

While the refugees who are members of a community and who have their legation and their citizenship in full order, have certain advantages as to the continuation of their studies and education in general which have been interrupted by the present conditions, the stateless refugees are at a grave disadvantage in this regard, certain few exceptions not considered. The same applies to registration work in the civil service, which is practically closed to stateless refugees, in spite of their eventual full competence.

Ad. working possibilities.

According to the new Swedish regulations dating from the end of 1945, Danish and Norwegian refugees can accept every kind of work, temporary or of a more permanent nature, without working certificate. This does not apply to the stateless refugees. These must in each and every case claim for such a certificate through the Kungl. Socialstyrelsen, for which they often have to wait quite a long time, and which can be difficult to obtain.

* * * *

To summarize: There is urgent need for some central institution which can deal with all problems concerning the stateless refugees, an institution which for instance can effectuate better living circumstances for them, establish contact between them and the organizations and associations which can be to any help to them, establish contacts which can be helpful for them settle all complications and questions towards the civil authorities, etc.

Another question

Another question which now awaits its solution is the problem of the return of the stateless refugees to their native countries or to other countries after the war.

This problem, which is of first rate importance, must be tackled before the war is over, as it otherwise will become completely overlooked in the flood of all other tremendous problems rising then, exactly as was the case after the last war.

One can erect three main groups of these stateless refugees:

1. The stateless refugees who in spite of many years stay in the country haven't obtained citizenship. These stateless refugees should now already get some assurance, that they have somewhere to go after the war.

2. Refugees from Germany, Austria, Czechoslovakia, and other countries who have arrived in Sweden, often through many other countries, and who now mostly are declared stateless. This applies to the largest part of them, not considered the Czech refugees as mentioned above. Many of these Czechs, however, have no wish whatever, to return to Czechoslovakia, but want to remain in Sweden, Denmark or Norway. These refugees are equally circumstanced as the refugees in group 1. Consequently all possibilities for their return to the countries they want to stay in, must be investigated immediately and eventual guarantees for their rights and their juridical position in these countries as to working possibilities and all other advantages corresponding to those held by the citizens of the countries in question, must be secured.

One must also try to secure an opportunity for the previously German and Austrian citizens to retain their original citizenship, if they so want. Many of them, however, will not wish to return to their native countries. They have settled, got friends, and have built up a new existence which they won't give up.

* * *

Beside the problems treated above there are other urgent tasks of post-war relief work. For instance all those suffering mentally and physically from deportations. Those who will survive all inhuman treatment will naturally be to consider as stateless. These persons cannot be considered in full yet, but it is of vital importance to prepare everything for their definitive solution as soon as possible

* * *

(Signed) Tove Filseth

CABLE TO MINISTER JOHNSON AND OLSEN, STOCKHOLM, FROM WAR REFUGEE BOARD

It has been reported that several Polish ships carrying food and clothing originally intended for Polish civilian population have been tied up for some time at Stockholm and that their cargoes have either been warehoused or remain in their holds. Please ascertain if this report is correct and, if so, the names of the ships involved; the nature and whereabouts of cargoes; dates when voyages interrupted; causes therefor and efforts, if any, to secure clearance.

THIS IS WEB STOCKHOLM CABLE NO. 6

April 24, 1944
10:30 a.m.

LSL:serials 4/23/44

PAPYPHASE OF TELEGRAM RECEIVED

85

FROM: American Legation, Stockholm
TO: Secretary of State, Washington
DATED: April 24, 1944
NUMBER: 1433

CONFIDENTIAL

Following is no. 5 for the VEB.

It would appear, on basis of our experience with the Swedish Foreign Office, that there would be better prospects of success if our Legation in Helsinki would initiate the action contemplated in Department's message of April 21, no. 724, War Refugee Board no. 3, by making approach to Finnish Foreign Office that would result in the Finnish Government requesting Government of Sweden to allow entry of those refugees on the ground that in Finland, their lives are in jeopardy. Then this Legation would press Swedish Foreign Office for sympathetic consideration of the Finnish request and offer United States financial assistance in carrying out the evacuation program.

It should be emphasized, in general, that it is not believed by the Swedes that in fact minority groups in Finland are in serious jeopardy. Swedes say that, in event of a German occupation of Finland, minority groups are unlikely to be singled out for persecution because it is an established fact that such groups have participated as actively against Russia in Finnish military operations as any other class and have suffered proportionate casualties. The Swedes are seriously concerned, on the other hand, with the possibility of Russian military operation against Finland which would produce a Finnish refugee movement into Sweden running into hundreds of thousands.

Swedes are reluctant to initiate any action which might compromise this position beforehand because of this prospect which would have major proportions.

JOHNSON

BJR - 792

This telegram must be paraphrased before being communicated to anyone other than a Governmental agency. (BR)

Stockholm

Dated April 24, 1944

Rec'd 8:20 p.m.

Secretary of State,

Washington.

1435, April 24, 10 p.m.

OLSEN'S No. 4 FOR WAR REFUGEE BOARD.

Rabbi Wilhelm Wolbe requests the following message to be transmitted to Rabbi Abraham Kalmanovits, 540 Bedford Avenue, Brooklyn, New York:

"Have constant contact with Rabbi Shmuleivets, Shanghai. Price increase there enormous. If transfer via Stockholm possible please try to obtain joint DISCO support also religious groups and advise exact proportion of funds contributed by each and how it should be expended. Please help Rabbi Regow and Koidanewsky. Every connection with Balticus absolutely unavailable and we are trying utmost obtain information."

I discussed above message with Wolbe and advised him that he should (*) more specific details of situation in Shanghai, particularly as to what type of program can be carried out and what funds are needed. He will comply. Also explained general desirability of transfers of free exchange and suggested he inquire of Shanghai group whether they could borrow funds locally against authorization and guarantee of joint DISCO or other groups to repay dollar equivalent after the war. I am not too impressed with Wolbe's ability to grasp necessities of this type of problem.

copy

JOHNSON

BR

(*) apparent omission

CABLE TO BERN

From War Refugee Board to Harrison

Please deliver the following message from Edward Cahill of the Unitarian Service Committee to Noel Field, 12 Rue de Vieux College, Geneva:

"On recommendation Toscanini urge you contact Mrs. Wally Piercy Silvahof, Berne"

THIS IS WRB BERN CABLE NO. 8

April 24, 1944

3:00 p.m.

FH:lab 4/24/44

CABLE TO BERN

From War Refugee Board to Harrison

Please deliver the following message to Adolph Freudenberg, 41 Avenue de Champel, Geneva, from Leland Rex Robinson and Henry Liesper of The American Committee for Christian Refugees:

"Total remittances \$24,000 sent April 13 and 21 representing payments through June Stop Cable if any unblocking delays also explanation unblocked \$15,000 credit mentioned April 2 cable Stop No further remittances promised until July but expect continue \$8,000 monthly thereafter also making effort obtain some additional assistance meeting French budget Stop Accepting your judgment best disposition funds specifically approving budget cabled December 10 subject our ability remit adequate funds Stop Happy your cable April 24 confirms construction project".

THIS IS WRB BERN CABLE NO. 9

April 24, 1944
5:15 P.M.

FH:lab 4/24/44
(Text of Message telephoned
by Leland Rex Robinson
4/24/44)

CABLE TO BERN

From War Refugee Board to Harrison

Please deliver the following message to Rene Bertholet, Wasenstrasse 14, Zurich, from Frank Kingdon of the International Rescue and Relief Committee:

"Sending you \$10,000 on License W-2138 according details communicated to you by American Legation Bern Stop Report back immediately through Legation on activities and whether you have difficulties financial or otherwise"

THIS IS WEB BERN CABLE NO. 7.

April 24, 1944

3:00 P.M.

FH:lab 4/24/44

CABLE TO MINISTER HARRISON, BERN

Appreciate information contained in your 2282 of April 13. Had we had earlier knowledge of Vatican efforts we would have supported it with adequate assurances to Latin American countries as indicated below. In the circumstances, our 1221 of April 10 becomes still more urgent, and you are requested to proceed accordingly with all possible despatch, if you have not done so already.

When so doing, please note that in contemplating exchange of Jewish holders of Latin American papers for Germans in Western Hemisphere this Government has advised Latin American countries that it does not (repeat not) expect such countries physically to admit any of these persons but will make arrangements for refuge elsewhere.

This information may be conveyed by you to Nuncio in confidence.

We are communicating with Vatican and requesting its support in our efforts on this basis. We are also communicating with our missions in Latin America in the light of information conveyed in your 2282 of April 13.

THIS IS WEB BERN CABLE NO. 6.

April 24, 1944
2:15 P.M.

BAksin:jp 4/20/44

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
 TO: Amlegation, Bern
 DATED: April 24, 1944
 NUMBER: 1414

CONFIDENTIAL

FROM WAR REFUGEE BOARD FOR TITTMANN

There is given below the substance of a message sent to Madrid.

As a result of intercession by the Holy See, whose humanitarian efforts on behalf of the oppressed peoples of Europe have resulted in the saving of thousands of lives, the Spanish Government has on several occasions in the past recognized groups of Sephardic Jews in Axis-occupied territory as Spanish nationals, and has intervened with Germany for their release from concentration camps and subsequent evacuation to Spain.

Information has now been received by the War Refugee Board that 400 such Sephardic Jews, Spanish nationals residing in Athens, have recently been imprisoned in a concentration camp, and it is vital that they be given Spanish recognition to forestall deportation and almost certain death.

You should approach the appropriate Spanish officials and inform them of the situation of the refugees under reference in order to rescue them through the Spanish Government's aid. Full assurances may be given to the Spanish Government that funds will be available for the support of such of these persons as may be evacuated to Spain, and that prompt action will be taken to speed their departure from Spain to places of refuge. Please keep the Department informed of all developments. For Tittmann's attention.

It is requested that you approach the appropriate Vatican authorities to request the Vatican's support for the rescue mentioned above.

HULL

Miss Chauncey (for the Sec'y), Abrahamson, Akain, Bernstein, Cohn, DuBois, Friedman, Gaston, Hodel, Laughlin, Lesser, Luxford, Mann, Mannon, Marks, McCormack, Paul, Pehle, Pollak, Rains, Sargoy, Smith, Standish, Stewart, Weinstein, H. D. White, Files

AGK-741

PLAIN

Bern

Dated April 24, 1944

Rec'd 5:55 p.m.

Secretary of State,
Washington.

2600, Twenty-fourth

Budapest despatches 20-21 reports decree creating union of Hungarian Jews to contain all Jews required wear Yellow Star and appointment by Jaross provisional Jewish committee nine members to organize union on countrywide basis. Central council Jews on Warsaw Bucharest model under Presidency Samuel Stern already active at Budapest on evacuation and resettlement measures. Numerous Jews reportedly now being settled near factories and railway installations and several city districts including region around Dob-Ucca designated for residence exclusively by Jews in Ghetto style.

HARRISON

EJH

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Minister, Bern
TO: The Secretary of State, Washington
DATE: April 24, 1944
NUMBER: 2603

CONFIDENTIAL

On April 19 Weingert called at the Legation. Concerning the situation he did not appear to be very well informed and was not able to say whether the authorities of Germany had actually received the authorizations for entry into Palestine. Your statement that the so-called Palestinian certificates have been withheld from delivery or were lost somewhere in transmission or particularly in Switzerland was not confirmed by him. (Refers to your message dated April 12, number 1268.) (Note from the Legation: Concerning Palestine certificates apparently there is some misunderstanding. The practice is to notify the Government of Germany and the persons affected that the appropriate Palestinian authorities have authorized their entry into Palestine rather than to send the actual certificates. Through the Swiss Protective Power, the British Legation at Bern and the British Foreign Office this is accomplished officially.)

It is stated by the British Legation that lists of persons whose entry into Palestine has been authorized have regularly been forwarded to Berlin through the Swiss authorities and that an attempt to notify directly the refugees concerned has been made by the Jewish Palestine Agency in Geneva, IRC, and the authorities of Switzerland. It is believed by the British Legation that notifications have all been made regularly and it (the British Legation) does not know of any instance wherein names have been omitted from lists or lists have been lost.

Therefore I am not taking further action on your number 1268 dated April 12 since more definite particulars on which action might be premised are lacking. In this connection it would probably be of assistance if you can indicate just what the reference to lost certificates means or if you can indicate the identity of the persons who may have been affected.

HARRISON

DCR:MPL
4/26/44

PARAPHRASE OF WIREGRAM RECEIVED

FROM: AMEMBASSY, Bern
TO: Secretary of State, Washington
DATED: April 24, 1944
NUMBER: 2612

CONFIDENTIAL

Referring to former letters the Joint Relief Commission requests your support for Swiss export license for specific foodstuffs purchased from joint distribution gift department in Switzerland.

Two. A reply has been made by CA that neither he nor his British colleague feels IEC program respect purchases under this \$100,000 need be referred to the Legation for approval under system now being discussed in London for relief purchases in Switzerland, but CA added that the matter has been referred to the American Embassy, London, and Department pending receipt of definite instructions.

Three. Interpretation of the Legation is that IEC may under latitude of Treasury license to Joint Distribution Committee purchase Switzerland any and all types of products without reference to London or our prior approval. Please inform us whether this is a correct interpretation?

Four. In view of the urgency of Department's 279, January 27, and others, early instructions are respectfully requested so that definite reply can be made to the Joint Relief Commission.

The foregoing message has been repeated to London as the Legation's no. 678 and is in reference to my cable no. 2305, of April 3, and no. 2122 of April 6.

HARRISON.

COPY

95

PARAPHRASE OF TELEGRAM RECEIVED

FROM: AMEMBASSY, Ankara.
TO: Secretary of State, Washington
DATED: April 24, 1944
NUMBER: 744

SECRET

FROM THE AMBASSADOR FOR ATTENTION OF WRB

This is Ankara No. 45.

Yesterday Simond, representative of the International Red Cross informed me that he had again spoken to von Papen in regard to the safe conduct for the SS TARI and promise had been made by von Papen to send a fourth telegram to Berlin about the granting of this safe conduct. According to Simond, von Papen was still optimistic that he would receive the safe conduct as he was certain no decision had as yet been arrived at as he had not received a negative reply. Simond was also informed by von Papen that he had charged the German minister in Ankara, who recently departed for Germany to immediately take up the matter on his arrival in Germany.

STEINHARDT

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Moscow
TO: Secretary of State, Washington
DATED: April 24, 1944
NUMBER: 1417

CONFIDENTIAL

It is my opinion that at this time it would be definitely inadvisable for a special attache on refugee matters to be sent here. Insofar as the Soviet Government is concerned, it will deal with such matters only through the Foreign Office and in a formal and official manner. In order to get effective results, matters of this sort must be handled with high officials of the Soviet Government who do not receive attaches and junior officers of the Embassy because of heavy pressure of important business. A special attache would not be permitted by the Soviets to travel about the country or to develop direct contacts with various agencies of the Soviet Government. Doubtless the Department is aware that I have to take up refugee matters with Molotov and Vashinski personally. I am sure that having made our general approach to the Soviet Government asking for its cooperation in the War Refugee Board work, the best way to further implement that cooperation is to present to the Soviet Government concrete and specific projects.

In order to further the work of the WRB I desire to do everything possible. Because of the factors I have mentioned, the work here vis a vis the Soviet Government, can only be handled by me and the senior officers of the Embassy rather than by the appointment of a special attache for refugee matters. Whether the work we will be allowed to do will be great in volume is doubted. Of course, if it proves to be so, I would wish to review the situation further and express my views as to the type of man required for the work at that time.

HARRINAN

CABLE TO HAROLD H. TITTMAN, JR., AMERICAN REPRESENTATIVE, VATICAN CITY

The following telegram has been received from Minister Harrison at Bern, dated April 13:

QUOTE Details of approaches which the Vatican made to various Governments of South America in an attempt to work out relief measures for Jews interned in Germany or German-occupied territory who hold documentation issued by those Governments were supplied to me on April 9 by the Papal Nuncio, Bern. Apparently the question of eventual immigration to respective countries in course of possible exchange was raised in addition to the question of recognition of documentation. The following is the substance of the replies.

1. Because of laws forbidding admission, a negative reply was made by Panama with respect to Polish Jews.
2. Both Nicaragua and Costa Rica are disposed to recognize passports which their respective Consuls issued up to eight families which could remain in these Republics only during the war if the families are neither industrialists nor farmers.
3. They would be received in Bolivia.
4. A negative reply was made by Salvador and Guatemala.
5. Instructions to verify and recognize passports have been issued by Chile.
6. Each case would be considered individually by Uruguay.
7. Reaction could be taken by Haiti.
8. Passports could not be recognized by Peru.
9. Passports could be recognized by Cuba if no objection is made by Great Britain and the United States.
10. Passports of Polish Jews at Vittel have been recognized by Paraguay.

Bolivia and Paraguay are represented in Germany by Spain and the rest of the countries listed above are represented by Switzerland. We assume that they will inform their respective protective powers concerning any action which they take in the future following representations of the American Government.

It is stated by the Nuncio that in the present reportedly aggravated situation of certain victims the Holy See had requested its Madrid representative to ask the government of Spain to inform the Spanish Ambassador at Berlin of gravity of peril of Polish Jews who have Paraguayan documentation and to insist to him upon the urgency of effective protection for them.

- 2 -

Information had been received by the Nuncio that the cause of the trouble arose when the proposal was made to exchange these Jews for Germans located in South America. Jews who had Paraguayan passports were included in the list by Germany. A protest was made by Paraguay which stated that the passports had been illegally issued and Paraguay refused to recognize the passports. The Germans withdrew as a result of this and protection was suspended by Spain. I have been further informed by Nuncio that this has been confirmed by International Red Cross which has promised its intervention if an exchange is objective conditioned on Holy See's action. UNQUOTE.

While grateful to the Holy See for its generous initiative, the Department regrets not to have been earlier informed thereof, It was clear to this Government that in most, if not in all, Latin American countries concerned neither consent to exchange nor even simple recognition of documents could be obtained unless it is understood that the governments concerned are not expected physically to admit these persons. The absence of such assurances in the Vatican approach has presumably caused the Latin American countries to reply as reported and Spain to suspend protection of persons involved. The result was the deportation of 238 such Jews from Civilian internees camp at Vittel and imminent danger to all of them, reported to number several thousands.

On April 10, the following cable was sent to Minister Harrison:

QUOTE Although the motives of the Germans in according better treatment to Jews of Polish origin holding passports and other documents issued in the name of Latin American countries are not too clear, it would appear that they include (1) some hope that they might be considered exchange material against Germans in the Western Hemisphere and (2) some fear that their ill-treatment might afford the Latin American countries a pretext for further limiting the freedom and economic activities of Germans resident in such countries.

The measure reported in your 1958 of March 30 may be an indication that Germany is beginning to doubt whether such Jews are considered exchange material and whether their treatment would affect the treatment of Germans in Latin America. This Government regards it as essential that these doubts be promptly and effectively dispelled.

Accordingly, please request the good offices of the Swiss Government in informing the Germans that this Government is undertaking discussions with Latin American countries for a further exchange of Germans in the Western Hemisphere for persons in German-controlled territory and

- 3 -

that in this connection, the United States considers that all persons in Vittel and elsewhere holding passports and other documents issued in the names of Latin American countries will be eligible for such exchange.

Simultaneously, please request the appropriate Swiss authorities to advise the Germans that in the meantime this Government expects that these persons will be accorded the same rights, privileges and immunities that the German government expects will be accorded to Germans in the Western Hemisphere. You may add that a considerable number of German civilians interned by various Latin American countries have been placed by such countries in the custody of the United States and are presently in such custody within continental United States. UNQUOTE

Simultaneously, we cabled our missions in Latin American countries concerned:

QUOTE Minister Harrison at Bern has informed us that the Swiss Foreign Interests Division has advised him informally that the Spanish government had been requested by the Germans to inquire into the bona fides of certain Latin American passports, held by internees in enemy-controlled territory and that the Latin American governments have denied responsibility as well as any claims of the persons holding such passports. Please approach appropriate officials of the government to which you are accredited and inquire whether it has received any such inquiries through the government of Spain or otherwise from the Germans with respect to the validity of passports held by such internees and if such inquiry has been made, please ascertain the nature of the response, if any.

In view of the perilous situation in which these internees find themselves, the conclusion has been reached that perhaps the only way of safeguarding the lives of these unfortunate victims of Nazi persecution is forthwith to initiate through proper channels negotiations for an exchange of nationals for which these people will be eligible. In contemplating such exchange negotiations, it is not expected that the government to which you are accredited will physically admit any such persons into its territory even on a temporary or tentative basis. This Government is prepared to take full responsibility for all arrangements necessary to route these persons to places elsewhere.

Proceeding on this basis, please approach the govern-

- 4 -

ment to which you are accredited with the request that it give its approval to the Government of the United States approaching the German government through appropriate channels with a view to initiating such negotiations. Please also advise appropriate officials of the government that similar requests are being made of other Latin American countries, it being the hope of this Government that it will be put in a position to initiate exchange discussions on a hemispheric basis. Please also advise such officials that in any exchange negotiations that may be entered into, it is of course understood that unquestioned citizens of the United States and of the Latin American countries will be considered by this Government as being in a category entitled to priority over others.

Please also request the government to which you are accredited, on humanitarian grounds, affirmatively to approach the German government through the protecting power with a demand that the lives of all persons holding passports issued in its name or claiming its citizenship on the basis of consular documents be safeguarded and that they be given all rights privileges and immunities accorded to civilian internees of enemy nationality to whom the Geneva Convention regarding the treatment of prisoners of war is currently applied by analogy. UNQUOTE

Furthermore, Ambassador Hayes at Madrid was asked to request Spanish support in this action.

In conveying the above information to the Holy See, please express to the appropriate officials this Government's warm appreciation of the Holy See's efforts to rescue persons involved, and our hope that the Holy See will cooperate with us in this humanitarian task by urgently supporting in Latin American and Spain our steps now detailed to you.

Furthermore, please obtain confirmation of details reported in Harrison's telegram and clarification of apparent contradictions contained in two passages of said telegram referring to Paraguay.

In view of extreme urgency of issue involved, prompt action is necessary. Please keep Department advised of progress. Department will keep you informed of further steps undertaken in this matter.

Substance of this telegram is being communicated to Apostolic Delegate in Washington.

April 24, 1944
2:15 p.m.

BAksin:jp 4/21/44

SECRETCOPY NO. 11OPTEL NO. 131

Information received up to 10 A.M. 24th April, 1944.

1. NAVAL

C. in C. Greek Navy reports all mutinous ships at Alexandria surrendered unconditionally yesterday.

On 23rd. Anzio Port was attacked by 15 Aircraft but no damage to shipping reported; shelling intermittent.

On 22nd/23rd. Enemy surface forces bombarded Bastia but caused no damage to harbour.

2. MILITARY.

Burma. Japanese activity Kohima Area decreased. Encounters with Japanese Imphal Area produced no material change.

3. AIR OPERATIONS

22nd. Hamm. amended inclusive air casualties reported enemy 39:3:12 in the air and 6:1:9 on the ground. Ours 8 Fortresses 17 Liberators 19 Fighters.

22nd/23rd. Dusseldorf 2014 tons dropped approximately two-thirds incendiary. Good group of fires, two covered by smoke towards end of attack. Heavy A/A moderate numerous searchlights main fighter activity over town itself.

Brunswick. 729 tons about two-thirds incendiary. Excellent concentration round accurate markers; very large fire area reported by subsequent reconnaissance. No fighters in target area.

Laon. 679 tons of HE two-phase attack against Southern and Northern sining points respectively. Excellent visibility no cloud markers well placed and good concentrations achieved. Ground defences negligible but some fighters on return journey.

23rd. 1857 Sorties flown against following objectives:- Military constructions 324 tons, gun positions Havre 125 tons, railways and river bridges 103 tons airfields and canals 50 tons. Enemy casualties reported on the ground 11:0:24. Ours 10 aircraft missing. Coastal Wellingtons damaged or sank 2 E-boats and set fire to a ship in convoy off Dutch Coast.

23rd/24th. Aircraft despatched: Sea mining 113 (6 missing) Brussels 12, Leaflets 11, Mannheim 24 Mosquitoes, Intruders and bomber support 10. About 40 German aircraft operated over South-Western counties; 5 were shot down by night fighters. Bombing very scattered. Some fires at Bournemouth, only slight damage elsewhere, 3 fatal casualties so far.

Austria. 23rd. Wiener Neustadt. 171 Escorted Fortresses attacked dropping 458 tons on aircraft factory with very good effect. Enemy casualties reported 19:3:4 ours 2 Fortresses 3 Mustangs.

Wien Schwechat. 140 escorted Liberators dropped 308 tons on aircraft factory. Numerous hits in the target area. 2 Liberators shot down by A/A.

Bad Voslau. 170 escorted Liberators dropped 345 tons on aircraft assembly factory. Photographs confirm objective seriously damaged by heavy concentrations. Enemy casualties reported 27:8:27, ours 5 Liberators, one Lightning.

Weiner Neustadt North. 31 Liberators dropped 32 tons on airfield with good coverage. One enemy aircraft destroyed 4 Liberator missing.

April 25, 1944

Dear Frank:

As you undoubtedly know, the Fifth War Loan will open June 12 and extend through July 8. Our over-all goal of \$16 billion is larger than that for any previous drive, and we must also sell a greater portion than ever before, \$6 billion, to individuals.

The close cooperation of the Navy Department in former loan drives has been of great value. During the Fourth War Loan, our six million volunteers, who sold more than 69 million separate War Bonds to individuals, were assisted immeasurably by Navy bands, speakers and exhibits of equipment.

I should appreciate it very much if you would arrange for a letter or directive to be prepared, similar to the one sent out for the Fourth War Loan Drive, on the cooperation between the Navy Department and the War Finance Program. I might add that our War Finance people advise me that some of the Navy Commandants placed a more restricted interpretation on the Fourth War Loan directive than was generally true. I do not want to appear presumptuous, but if the suggestion could be contained in the Fifth War Loan directive that a peak in our wartime expenditures has been reached which calls for every possible effort on the part of the American people and of every agency thereof, I am sure that it would be invaluable to us.

As before, we will undertake to channel to the appropriate Public Relations Naval Officers in each district all requests from State or local War Finance Committees. Excellent liaison was established between

- 2 -

your Department and ours here in Washington in the Fourth War Loan Drive, and I trust this may be set up in the same manner for the impending drive.

Sincerely yours,

(Signed) H. Mergenthaler, Jr.

The Honorable Frank Knox
Secretary of the Navy
Washington 25, D. C.

JMM:shh

SECRET

104

TREASURY DEPARTMENT

PROCUREMENT DIVISION

WASHINGTON 25

MX



OFFICE OF THE DIRECTOR

April 25, 1944

MEMORANDUM TO THE SECRETARY:

There is submitted herewith the weekly report of Lend-Lease purchases.

A requisition has been received for 79,000,000 square feet of veneer for aircraft construction in the United Kingdom, and monthly deliveries are specified for completion by the end of 1944.

Clifton E. Mack
Clifton E. Mack
Director of Procurement

LEND-LEASE
 TREASURY DEPARTMENT, PROCUREMENT DIVISION
 STATEMENT OF ALLOCATIONS, OBLIGATIONS (PURCHASES) AND
 DELIVERIES TO FOREIGN GOVERNMENTS AT U. S. PORTS
 AS OF APRIL 19, 1944
 (In millions of Dollars)

	<u>Total</u>	<u>U. K.</u>	<u>Russia</u>	<u>China</u>	<u>Administrative Expenses</u>	<u>Miscellaneous & Undistributed</u>
Allocations	\$4738.2 (4724.0)	\$2292.9 (2292.9)	\$1877.3 (1877.3)	\$133.9 (133.9)	\$12.6 (12.6)	\$421.5 (404.3)
Purchase Authoriza- tions (Requisitions)	\$3725.3 (3703.4)	\$1892.4 (1890.2)	\$1477.5 (1463.4)	\$ 82.7 (66.4)	- -	\$272.7 (283.4)
Requisitions Cleared for Purchase	\$3636.2 (3617.7)	\$1861.5 (1865.8)	\$1447.9 (1433.6)	\$ 61.0 (44.7)	- -	\$265.8 (273.6)
Obligations (Purchases)	\$3510.4 (3480.3)	\$1855.4 (1831.6)	\$1406.2 (1398.1)	\$ 60.8 (44.4)	\$11.1 (11.1)	\$196.9 (195.1)
Deliveries to Foreign Governments at U. S. Ports*	\$1961.9 (1931.6)	\$1246.7 (1235.2)	\$ 656.6 (639.2)	\$ 22.0 (22.0)	- -	\$ 36.6 (35.2)

*Deliveries to foreign governments at U. S. Ports do not include the tonnage that is either in storage, "in-transit" storage, or in the port area for which actual receipts have not been received from the foreign governments.

Note: Figures in parentheses are those shown on report of April 12, 1944

EXPLANATION OF DIFFERENCE

SECRET

The decreases in Requisitions Cleared for U. K. and Miscellaneous, and Purchase Authorizations for Miscellaneous are a result of adjustments of requisitions to actual contracts.



TREASURY DEPARTMENT

PROCUREMENT DIVISION

WASHINGTON 25



OFFICE OF THE DIRECTOR

April 25, 1944

M

MEMORANDUM TO THE SECRETARY:

A conference was held with Mr. Allen Coe, War Goods Price Coordinator of OPA, for the purpose of discussing proposed general price regulations bearing on the disposal of surplus property.

Conferences were held with Mr. H. R. Rinehart, Secretary of War Service Committee of Distributors of Production Equipment and Supplies, and with Mr. E. H. Libbey, National Retail Lumber Dealers Association, for the purpose of discussing policies and procedures as they might affect the disposal of surplus property in these two fields.

Clifton E. Mack
Clifton E. Mack
Director of Procurement

COPY

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WMCA
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America's Leading Independent Station

WMCA BUILDING, 1657 Broadway, New York 19, N. Y.
CIRCLE 6-2200

April 25, 1944

Mr. J. W. Pehle
The War Refugee Board
Washington, D. C.

Dear Mr. Pehle;

I am enclosing herewith
a copy of an open letter which I
addressed to you on my Very Truly
Yours broadcast over this station
on Monday evening, April 24, at 9:30
P. M.

If you care to comment in
any way, I should be very glad to
hear from you.

Very truly yours,

/s/ NORMAN JAY

NORMAN JAY

NJ:KK

COPY

April 24, 1944

DEAR MR. PEHLE:

AMERICA HAS A CONSCIENCE. I THINK WE'RE BEGINNING TO SEE IT IN THE ENTHUSIASTIC NATION-WIDE SUPPORT ACCORDED THE PROPOSAL ADVANCED BY SAMUEL GRAFTON, COLUMNIST OF THE NEW YORK POST, THAT THE UNITED STATES ESTABLISH FREE PORTS FOR EUROPEAN REFUGEES. I THINK WE'RE GOING TO SEE IT EVEN MORE IF AND WHEN THE PROPOSAL BECOMES A PROJECT AND AMERICA CAN HEAVE A NATIONAL SIGH OF RELIEF AS IT FORESAKES THE UNNATURAL ROLE IT HAS PLAYED IN BARRING REFUGEES FROM ITS SHORES.

AMERICA WELCOMES YOUR ANNOUNCEMENT, SIR, THAT THE WAR REFUGEE BOARD, OF WHICH YOU ARE EXECUTIVE DIRECTOR, IS OFFICIALLY CONSIDERING THE PLAN. FOR, ASIDE FROM THE COMPARATIVE FEW WHO'VE SWALLOWED THE FASCIST POISON, WHOSE HUMAN INSTINCTS HAVE BEEN CHILLED BY A STEADY DIET OF STUBBORN UNREASONING HATE, AMERICANS HAVE BEEN DECIDEDLY UNCOMFORTABLE IN THE INVOLUNTARY ROLE THEY'VE BEEN PLAYING AS THE CHAMPIONS OF EXCLUSION.

DOING SOMETHING FOR THE UNWANTED OF OTHER LANDS HAS BEEN IN THE AMERICAN TRADITION SINCE THIS NATION'S BIRTH. AMERICAN HOSPITALITY AND GENEROSITY TO THOSE IN NEED HAVE BEEN OUR TRADEMARKS THROUGHOUT THE WORLD. YET OUR RECORD IN RECENT YEARS IS HARDLY ONE THAT WILL BRING PRIDE TO THOSE OF US WHO VIEW HUMAN LIFE AND SPIRIT AS PRECIOUS. . . WHO CAN FEEL SORROW AT THE SUFFERING AND ANGUISH TO WHICH FELLOW-HUMANS IN OTHER PARTS OF THE WORLD-DEFENSELESS AND INNOCENT- ARE BEING SUBJECTED BY A PHILOSOPHY OF GOVERNMENT THAT HAS MADE BARBARISM A NATIONAL POLICY. FOR AS ANATION WE'VE CLOSED OUR HANDS, OUR DOORS AND OUR HEARS- AND OUR EYES TO THE ROLE OF AMERICA IN THE HISTORY OF THE WORLD.

-2-

BUT, SIR, I DONT WANT TO APPEAR TO BE CHAMPIONING THE LIFTING OF IMMIGRATION QUOTAS OR ANYTHING LIKE THAT. I ONLY WANT TO ASK, AS MR. GRAFTON DOES, THAT WE DO THE VERY LEAST THAT WE CAN UNDER THE CIRCUMSTANCES. MR. GRAFTON POINTS OUT THAT WE HAVE A "FREE PORT" RIGHT HERE IN NEW YORK CITY INTO WHICH FOREIGN GOODS- JUST PLAIN MERCHANDISE, MIND YOU- MAY BE BROUGHT WITHOUT PAYING CUSTOMS DUTIES. GOODS BROUGHT INTO IT FROM OVERSEAS ARE DESTINED EITHER FOR TRANSSHIPMENT TO OTHER COUNTRIES OR FOR TEMPORARY STORAGE HERE. AND MR. GRAFTON ASKS WHY WE CANT SET ASIDE A "SMALL BIT OF LAND, A KIND OF RESERVATION" FOR HUMAN BEINGS AS WE DO FOR GOODS. HE MAKES NO FURTHER DEMANDS THAN THAT. HE MAKES NO PLEA FOR PERMANENT REFUGE OR FOR USEFUL OR NON-USEFUL WORK OR FOR CITIZENSHIP FOR THESE HOMELESS. HE ASKS ONLY TEMPORARY STORAGE UNTIL THE WILD WINDS OF WAR HAVE STOPPED BLOWING.

THIS ISNT, AS YOU SEE, A QUESTION THAT REQUIRES ANY RESEARCH. IN URGING THAT THE WAR REFUGEE BOARD ACT FAVORABLY ON THE PROPOSAL, NEITHER MR. GRAFTON NOR I NOR ANY OF THE OTHERS WHO ENDORSE THE PROPOSAL, HAVE TO PROVE HOW INTIMATELY AMERICA'S GROWTH HAS BEEN RELATED TO IMMIGRATION. FOR AFTER ALL, WHAT IS BEING SUGGESTED IS NOT IMMIGRATION. WE DONT HAVE TO PROVE THE OBVIOUS POINT THAT ASSIMILATING FOREIGN-BORN INTO AMERICA'S BLOOD-STREAM THROUGHOUT THE YEARS OF THIS NATION'S HISTORY HAS ENRICHED ALL OF US. FOR WHAT IS BEING SUGGESTED IS NOT ASSIMILATION. WE DONT HAVE TO PROVE THAT ACCEPTING PEOPLES OF OTHER NATIONS INTO OUR OWN HAS INVIGORATED OUR CULTURE. . .AND HAS PROVIDED THE MANPOWER AND BRAINPOWER TO BUILD AMERICA INTO THE GREATEST INDUSTRIAL POWER IN THE WORLD. FOR WHAT IS BEING SUGGESTED IS NOT ABSORPTION.

-3-

NO, MR. FEHLE, WE'RE NOT SUGGESTING ANYTHING THAT MIGHT UPSET OUR NATIONAL POLICY TOWARD FOREIGN-BORN. THAT MIGHT TAKE US INTO THE REALM OF POLITICS AND GIVE SOME OF OUR NATIONAL HALF-PINTS A CHANCE TO SOUND OFF ABOUT ALIEN INFLUENCES AND THREATS TO THE EMPLOYMENT OF AMERICANS AND OTHER EXAGGERATIONS THAT SERVE SO ADMIRABLY TO COVER UP THEIR OWN EMPTINESS. AND WE'D RATHER STAY IN THE REALM OF SIMPLE HUMANITARIANISM.

WE'D RATHER MAKE IT AS SIMPLE AS FINDING A BABY ON YOUR DOORSTEP AND TAKING IT INTO YOUR HOUSE FOR CARE UNTIL YOU CAN HAND IT OVER TO THE PROPER AUTHORITIES. WE'D RATHER KEEP IT AS SIMPLE AND NON-DEBATABLE AS A RESCUE AT SEA.

SOMEHOW, SIR, THE CIVILIZED PART OF THE WORLD DOESN'T WEEP FOR THOSE WHO MANAGE TO KEEP A STEP AHEAD OF NAZI BUTCHERY. FRANKLY, I DON'T KNOW WHY. MAYBE ITS BECAUSE THEIR SITUATION HAS NEVER BEEN REAL TO US. MAYBE ITS BECAUSE WE'VE NEVER EXPERIENCED WHOLESALE SHATTERING OF HOMES AND DISPERSAL OF FAMILIES. MAYBE ITS BECAUSE WE DON'T KNOW WHAT IT IS TO BE HUDDLED ON A BARGE FLOATING DOWN THE DANUBE. . . .OR FREEZING IN SOME MID-EUROPEAN WHEAT FIELD. MAYBE ITS BECAUSE WE'VE NEVER KNOWN THE TORTURE OF WONDERING WHAT'S BECOME OF OUR KIDS OR WIVES OR MOTHERS. MAYBE THE HUMAN MIND CANT EMBRACE THE ANFUL HORROR OF IT UNLESS ITS HAD SOME COMPARABLE EXPERIENCE- AND THANK GOD WE HAVEN'T.

BUT WE WONT HESITATE LONG IF WE KEEP THE SIMPLE FACT IN MIND THAT THESE REFUGEES ARE RUNNING FROM DEATH BUT HAVENT ANY PLACE TO GO. THE LIMEKILNS AND GAS CHAMBERS ARE CLOSE BEHIND THEM- AND THEY HEND THEMSELVES ON A DEAD-END STREET.

DEATH WITH A GERMAN AGENT STALKS THEIR HEELS-- AND GOVERNMENTS WHOSE FRIENDSHIP THEY HAVE EVERY RIGHT AND REASON TO EXPECT CLOSE THE GATES TO THE ONLY AVENUES OF ESCAPE.

THEY WANT ONLY A PLACE TO REST THEIR WEARY BODIES. THEY WANT ONLY TO FEEL THAT THE MURDERERS CANT PLAY CAT-AND-MOUSE WITH THEM ANY MORE. THEY WANT ONLY THE SMALLEST POSSIBLE MEASURE OF SECURITY. . . . A WORD THAT HAS COME TO HAVE NO MEANING AT ALL FOR THEM SINCE THE NAZIS OVERRAN THE BALKANS.

WE'VE GOT IT IN OUR POWER, SIR, TO SET UP THESE "FREE PORTS" FOR REFUGEES AND THUS TO ENCOURAGE ALL OTHERS OF THE UNITED NATIONS TO DO LIKEWISE. WE'VE GOT IT IN OUR POWER TO RELIEVE TO SOME SMALL EXTENT AN INCOMPREHENSIBLE SUFFERING. WE CANT DO ANYTHING ABOUT THE MILLIONS WHO HAVE PERISHED OR HAVE BEEN ENGLUFED IN THE NAZI WAVE. BUT CAN WE TURN OUR BACK ON THOSE WHO STILL LIVE? CAN WE. . . WHEN THE SOLUTION IS TO TREAT THEM WITH THE SAME CONSIDERATION-- AND NO MORE-- THAT WE GIVE TO MERCHANDISE?

I THINK YOU'LL FIND THE ANSWER, MR. PERLE, INSCRIBED ON THE STATUE OF LIBERTY. IT GOES:

"GIVE ME YOUR TIRED, YOUR POOR, YOUR HUDDLED MASSES YEARNING TO BREATHE FREE-- THE WRETCHED REFUSE OF YOUR TREMING SHORE. SEND THESE, THE HOMELESS, TEMPEST TOST TO ME. I LIFT MY LAMP BESIDE THE GOLDEN DOOR."

VERY TRULY YOURS,

NORMAN JAY

ORIGINAL TEXT OF TELEGRAM SENT

FROM: SECRETARY OF STATE, WASHINGTON
TO: ANREP, Algiers,
DATED: April 25, 1944
NUMBER: 1253

SECRET

FROM WAR REFUGEE BOARD TO AMBASSADOR WILSON AND ACKERMAN

We have just received report from Schwartz in Lisbon that French are refusing to accept in Lyantey Sephardic Jews arriving in Spain after March 1, 1944. Report states further that 50 Sephardics now in Perpignan, France, awaiting admission into Spain and others still en route will be excluded under this ruling.

Such a ruling would cause breakdown in plans to rescue Sephardic Jews still in Nazi territory, as Spanish Government will do nothing to rescue Sephardics unless assured that they will be removed from Spain soon after arrival. If after investigation you feel report is accurate, please take up at once with Comite representatives indicating unfortunate effects of such a step.

Schwartz has advised Beckelman concerning matter.
THIS IS WEB ALGIERS CABLE NO. 5

HULL

OM-230

This telegram must be paraphrased before being communicated to anyone other than a Government agency. (BR)

Algiers

Dated April 25, 1944

Rec'd 3:18 a.m., 26th

Secretary of State,

Washington.

1361, April 25, 3 p.m.

FOR WAR REFUGEE BOARD FROM ACKEMAN WAR REFUGEE REPRESENTATIVE NO. 15.

Can you advise on present policy with respect to immigration to United States of stateless persons especially those of military age and those who have been of assistance to Allied forces over here. Representative of American Friends Service Committee has just called to my attention cases of Gerard and Hans Schmidt who are threatened with internment by French. Immigration applications have been on file since 1943 and are apparently well supported by American officials over here. Suggest you inquire into these cases and advise promptly. There are several similar cases which may arise in near future and knowledge of United States policy will help in solving them.

CHAPIN

BR

AIRGRAM TO AMERICAN EMBASSY IN SANTIAGO, CHILE

Department and War Refugee Board are informed that a certain number of Jews, mostly of Polish origin, now in German-controlled territory, held passports and consular documents issued in the name of Chile. It is requested therefore that you attempt to obtain cooperation of Chilean authorities in American efforts to save these people in the same manner in which the cooperation of other Latin American countries has been requested, whose documents are found to have been issued to Jews in German-held territory.

Re this end, circular airgram of March 31, 1105 p.m., of April 10, 1100 a.m., and of _____ are being repeated to you, and you are requested to take action in accordance therewith.

Department understands that Vatican had also attempted to work out relief measures for Jews in German-held territory holding Chilean documents. Apparently, the question of eventual immigration as result of possible exchange was raised in addition to the question of recognition of documents. Chile is reported to have replied that instructions to verify and reorganize passports have been issued.

Please verify above information and emphasize that Department's request does not (repeat not) involve immigration bits, on the contrary, contains assurances that Chile will not (repeat not) be expected to admit persons concerned even on a temporary basis. Accordingly, we hope that Chile, in the interests of humanity, will postpone any questioning of said documents, meanwhile requesting Germans to accord holders treatment to which Chileans are entitled, and will also agree to the persons concerned being considered exchange material.

In the light of the above assurances, please impress upon the Chilean government the extreme urgency of acquiescing in our requests and of acting upon them without delay. You should impress upon Chilean officials that since failure to act would almost certainly spell death for the persons involved, and that since no (repeat no) responsibilities or obligations would result for Chile from acquiescence in our requests, we would be sorely disappointed if Chilean authorities would not (repeat not) wholeheartedly cooperate with our efforts to save these people.

Please advise Department of the result of your efforts.

April 28, 1944
4:15 p.m.
Makrini 3P 4/28/44

CONFIDENTIAL

AIRGRAM

FROM:

Tegucigalpa, Honduras

NO: A-163

DATED: April 25, 1944, 5:30 p.m.

REC'D: May 1 8 a.m.

SECSTATE

WASHINGTON

A-163, April 25, 5:30 p.m.

Department's circular airgram of April 20, 1944, 7:35 p.m. concerning refugee children under 16 years of age.

The matter was discussed with the Minister for Foreign Affairs this morning. He appeared to be personally sympathetic to the suggestion, but stated that decision must rest with President Carias, whom he promised to consult.

(As the Department is aware, all matters of any importance are referred to President Carias.)

According to the official census of 1940, some 52.4 percent of all Hondurans over 7 years of age are illiterate, and 54.5 percent of the total population are illegitimate. These facts, coupled with the general poverty, result in an enormous number of neglected children; in fact, I have never seen any country where children receive less care and attention. Some years ago a group of charitable women founded an orphanage known as the "Casa del Niño", where inmates now number 69, all under 13 years of age. This institution receives a small subsidy from the Government, but is, of course, unable to care for more than a very small percentage of the needy children.

Leaders of the Honduran Jewish residents (there are approximately 185 Jewish refugees in Honduras) state that they are without financial resources to care for additional children, but that they could possibly undertake to do so (perhaps in an orphanage which might be established) at a cost of approximately 20 to 25 U.S. dollars per child per month. They state that there would be little future for refugee children in Honduras, since educational facilities are very limited and economic opportunities for persons without capital are said to be lacking.

I am inclined to believe that the Honduran Government might possibly be persuaded to accept a few refugee children, provided there were an adequate advance financial guarantee. Without such guarantee, the prospects are not good.

FAUST

711 80

JBF:hk

Transmitted via airmail pouch closing 1:30 p.m., April 26, 1944.

AIRGRAM

CONFIDENTIAL

FROM: American Embassy,
Mexico City.
DATE: April 25, 1944
REC'D: April 28 4 p.m.

SECSTATE
WASHINGTON

I have to acknowledge the receipt of the Department's confidential circular airgram of April 15, 7 p.m., with further reference to the Department's circular airgram of January 26, 7 p.m., and to subsequent communications on refugee matters. The Department requests the Embassy to approach the Mexican Government and inform it of the substance of the airgram under reference and to endeavor to secure its action vis-a-vis the Swiss Government along preliminary lines of our own action with respect to a specific number of visas which the Mexican Government may be prepared to authorize its representatives to grant to refugee children. The Department requests a report by telegraph as to whether this suggestion is being favorably received by the Mexican Government, and if so information as to the number of children it is prepared to admit.

Although the attitude of the Mexican Government with respect to the reception of refugees has been fairly liberal, it is my belief that the Mexican Government is not particularly interested in receiving any considerable number of refugees from Europe either during or after the war. This impression I have gathered through confidential conversations from time to time with high officials of the Mexican Government when I have discreetly explored this situation. The probabilities are that the Mexican Government will be rather leath to commit itself and probably rather slow to commit itself.

In order to secure anything like a favorable reception towards the suggestion contained in the Department's airgram under reference, it will be necessary to prepare the ground carefully in the Mexican Government and among the highest officials. I am taking the appropriate steps to this end and I personally shall not fail to discuss this matter.

For reasons

- 2 -

For reasons which are too numerous to enter into in this airgram, no immediate reaction from the Mexican Government may be expected on this matter. I shall, however, not fail to take it up and endeavor to secure as receptive and as favorable an attitude as possible.

I shall give this matter my personal attention and shall not fail to keep the Department informed of any developments.

George S. Messersmith

GSM

800-Refugees

GSM:fm

CABLE TO LISBON

To Minister Norweb from War Refugee Board

Re your 1208. State Department is arranging seven dollar per diem for personal expenses payable directly from Embassy to Dexter on reimbursable basis in same manner as administrative expenses.

THIS IS WRB LISBON CABLE NO. 5

April 25, 1944
4:15 p.m.

WStewart; pdk 4/25/44

AIRMAIL

No. 431

EMBASSY OF THE
UNITED STATES OF AMERICA

Lisbon, April 25, 1944

Subject: Transmitting Memorandum to War Refugee Board
on Repatriation of Refugees After the War

The Honorable
The Secretary of State,
Washington

Sir:

I have the honor to transmit herewith a memorandum prepared by Dr. Robert C. Dexter, Special Attache to the Embassy for refugee matters, regarding repatriation of refugees after the war. Provided the Department perceives no objection, it would be appreciated if the memorandum would be forwarded to the War Refugee Board.

Respectfully yours,

For the Ambassador:

Edward S. Crocker
Counselor of Embassy

Enclosures:

Memorandum

300
RCD/mvd

Enclosure to despatch no. 431 dated April 25, 1944,
from the Embassy at Lisbon.

Memorandum to the War Refugee Board
from Robert C. Dexter

On page 3, paragraph headed War Refugees, War Radio Bulletin no. 198, there is a sentence to the effect that UNRRA will handle repatriation of refugees to their own country after the war. The question immediately arises here whether this repatriation includes the transportation of Jewish refugees, children and adults, to Palestine. This is not technically repatriation, but it is quite clear that such individuals, the children particularly, will not return to the country of their origin. If UNRRA should include these people in their repatriation, just what is the mechanism by which arrangements may be made and funds secured? If UNRRA should not include them, the arrangements will have to be made here from the Palestine Office or HICEM. We should appreciate advice on this point.

RCD/mvd

HCE-185

PLAIN

Lisbon

Dated April 25, 1944

Rec'd 11:22 p.m.

Secretary of State.

Washington.

1342, twentyfifth, 5 p.m.

WEB number 6. FOLLOWING MESSAGE IS FROM JOSEPH SCHWARTZ FOR WAR REFUGEE BOARD AND LEAVITT, JOINT DISTRIBUTION COMMITTEE NEW YORK.

"36 Turkish repatriates from Greece arrived Istanbul receiving our full assistance. Small group Portuguese nationals now Greece may be deported unless Portuguese Government intervenes. Authorities here being approached undertake necessary steps. Similar situation confronts another larger group Spanish nationals interned Greece for deportation. Representations have already been made by Spanish Minister, Ankara, and we taking up matter Madrid but help your end important. Approximately six thousand Turkish nationals France whose status repatriation uncertain now in precarious situation. Ambassador Steinhart informed and assume will do everything possible but important pressure from Washington be applied this situation if deportation this large group to be avoided. For your information. International Red Cross ship BELLACITTA arrived yesterday Istanbul from Rumania carrying one hundred thirty children twenty escorts".

HONORED

LMS

LC - 291

This telegram must be paraphrased before being communicated to anyone other than a Governmental agency. (8000)

Madrid

Dated April 25, 1944

Rec'd 11:33 a.m., 26th

Secretary of State,

Washington.

1433, April 25, 8 p.m.

FOR PRELIM WAR REFUGEE BOARD

Oliver says cannot accept appreciated offer, adding that volume Economic Warfare work continues heavy and no readily available trained substitute.

HAYES

RR

PAPERBACK OF TELEGRAM SENT

124

FROM Secretary of State, Washington
TO American Legation, Stockholm
DATED April 28, 1944
NUMBER 749

SECRET

VIA BERLIN BOARD SENDS THE FOLLOWING FOR JOHNSON
AND OLSEN.

Reference is made to your telegram of April 11, 1944,
no. 1235.

The importance of Holsted's statement concerning
extent of danger from Gestapo in Finland to many Germans,
Swedes and others is appreciated by the War Refugee Board.
The Board is charged with rescuing "the victims of enemy
oppression who are in imminent danger of death" regardless
of religion, nationality or stateless status. Accordingly,
the Board would warmly welcome Swedish action to afford
rescue to all groups in Finland which would be especially
endangered as the result of increased German influence.

Concerning Holsted's remark that permission to
refugees and others to enter Sweden would amount to dis-
crediting Finnish Government, the Board suggests that you
refer him to Bohman's statement reported in your cable
no. 908 to the effect that the Finnish Government itself
has applied for admission of Jewish refugees.

With respect to the questions reported in your cable
no. 1235, the Board holds that all persons referred to
in our 724 of April 21 are in danger. It is prepared to
make arrangements for the evacuation from Sweden, as soon
as practicable, of all persons, other than Swedes, who may
be accorded refuge in Sweden, and for the maintenance in
Sweden of such refugees who cannot claim the support of
their governments.

The Board appreciates the action taken by Sweden
(reported in your telegram of April 21, 1944, no. 1279)
in authorizing one-hundred visas to Central European refugees
now in Finland as a starter. The Board is deeply concerned
about the danger threatening 115 Jewish refugees from
Germany and Austria and about 2600 others referred to in
our cable of April, no. 1724. The Board fully supports
your representations reported in your telegram of April 8,
1944, no. 1209.

In light of your cable no. 1279 referred to above, it
is assumed by the Board that the Holsted statement does
not modify in any way the confidential assurances given
by Bohman.....

- 2 -

by Boheman and reported in your cable no. 908. Please obtain confirmation of said assurances and, should you consider that danger is imminent, please press for immediate action.

Reference is made to Olsen's no. 3. The Board is gratified by favorable Swedish reaction to his appointment and the statements made to the press are approved by the Board.

The foregoing is WEB's cable no. 4.

HULL

TELEGRAM SHEET

DGH

This telegram must be paraphrased before being communicated to anyone other than a Government agency. (BR)

April 25, 1944

8 p.m.

AMLEGATION,

STOCKHOLM.

750

FOR THE MINISTER AND OLSEN FROM WAR REFUGEE BOARD.

WEB no. 5

Please deliver a paraphrase of the following message from War Refugee Board to Rabbi W. W. Wolbe, 11 Olofsgatan, Stockholm, Sweden:

QUOTE Gravely disturbed your report of Lithuania. Cable War Refugee Board for us through American Legation your rescue plans and if you can utilize funds for relief and rescue of Rabbis and religious leaders in Lithuania. Have cabled 85,800 Swiss francs to Rabbi Shmulewits through Switzerland. Vaad Habatzalah Emergency Committee, Rabbi Aaron Kotler and Abraham Kalmanowits UNQUOTE.

HULL
(GHK)

HULL

WEB:GLW:KG
4/22/44

WB

WT

SWP

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington,
TO: AMLEGATION, Stockholm
DATED: April 25, 1944
NUMBER: 755
SECRET

FROM WAR REFUGEE BOARD TO MINISTER JOHNSON AND OLSEN

It has been reported that several Polish ships carrying food and clothing originally intended for Polish civilian population have been tied up for some time at Stockholm and that their cargoes have either been warehoused or remain in their holds. Please ascertain if this report is correct and, if so, the names of the ships involved; the nature and whereabouts of cargoes; dates when voyages interrupted; causes therefor and efforts, if any, to secure clearance.

THIS IS WEB STOCKHOLM CABLE NO. 6

HULL

TELEGRAM SENT

April 25, 1944
9 P.M.

This telegram must be paraphrased before being communicated to anyone other than a Government agency. (BR).

AMLEGATION,

STOCKHOLM.

756

TO JOHNSON FROM THE WAR REFUGEE BOARD.

Temporary employment as requested your 1355 April 19 of Miss Tove Filseth at \$3000 per annum and Miss Ulla Afwirsen at \$1440 per annum authorized. This is WEB Stockholm cable no. 7. Olsen should send personnel information promptly. You will be informed subsequently by Department as to manner in which salaries should be paid.

HULL
(GLW)

WEB:GLW:KG
4/25/44

NOE

A-8/3

YA

S/OR

TELEGRAM SENT

DSH

This telegram must be
paraphrased before being
communicated to anyone
other than a Government
Agency. (BR)

April 25, 1944 RESTRICTED

4 p.m.

AMLEGATION,

HERE.

1429

TO THE MINISTER FROM WAR REFUGEE BOARD.

WEB no. 4.

Please deliver a paraphrase of the following message
from War Refugee Board to Isaac Sternbuch, Postfach 168,
St. Gallen, Switzerland:

QUOTE Greatly pleased with your April 7th message.
Suggest necessity that such couriers be supplied with
larger sums and that such funds be given to outstanding
personalities, leaders of communities and former heads of
Yeshivoth to save themselves in whatever possible manner.
Ready supply you additional funds on request. Vaad Hatzalah
Emergency Committee Rabbis Rosenberg Kotler Kalmanowitz
UNQUOTE.

HULL
(GHK)

HULL

WEB:GLW:KG
4/22/44

WE

SWP

TELEGRAM SENT

GMV

This telegram must be paraphrased before being communicated to anyone other than a Government Agency. (BR)

April 25, 1944

3 p.m.

AMLEGATION,

HEHN.

1428

FOR THE MINISTER FROM WAR REFUGEE BOARD.

Your 1754 delayed and just received by War Refugee Board. McClelland's appointment Special Attache on War Refugee Board matters approved effective immediately. He should receive base salary of sixty-five hundred dollars per annum and seven dollar per diem allowance effective when he assumes duties. Salary and per diem payments, as well as miscellaneous administrative expenditures such as travel, clerical staff if needed, office supplies and equipment, and rental if necessary, should be paid directly by the Legation through usual channels, for which Department will be reimbursed by War Refugee Board here. In addition, ten thousand dollar credit in confidential funds for McClelland from President's Emergency Fund being established at once for which McClelland will be responsible to Pehle alone. These confidential funds are not subject to usual government disbursing requirements but McClelland should keep careful record and obtain receipts where possible. These funds will be remitted on request through the Legation. These funds may be used at McClelland's discretion but should not (repeat not) be used for administrative expenses of the sort being handled through the regular channels of the Legation. McClelland's duties are as described in our 659. Let us know at once of any obstacles.

WRB:GLW:KG
4/22/44

WE

WT

HULL
(GHE) A-3/3

FA

TELEGRAM SENT

This telegram must be
paraphrased before being
communicated to anyone
other than a Government
agency. (RR)

April 25, 1944

8 p.m.

AMERICAN LEGATION

BERN (SWITZERLAND)

1434

FOR DAYMONT FROM ALLEN

THE THOUSAND DOLLARS BEING MADE AVAILABLE TO YOU IN
SWISS FRANCS THROUGH THE SWISS NATIONAL BANK FOR ROSWELL D
MCCLELLAND WAR REFUGEE BOARD ON BASIS VOUCHER SUBMITTED
THIS OFFICE DO NOT REFLECT IN YOUR ACCOUNTS BUT TAKE RECEIPT
FROM MCCLELLAND FOR LATER ATTACHMENT TO VOUCHER ADVISE
MCCLELLAND FUNDS ARE CONFIDENTIAL.

HULL
(PTM)

DCR:ELH:ATM

ACL:FB

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
TO: Secretary of State, Washington
DATED: April 25, 1944
NUMBER: 2462

SECRET

It is requested by Freudenberg that the following information be given to the Committee:

FS French Protestant Associates have aided 127 women, 263 men and 30 children to escape to Switzerland since summer of 1940. It is believed by F that 100 or 200 more similarly assisted but not registered. The number of persons, especially younger men, assisted to escape to Spain is unknown but F believes at least several hundreds. Several thousands have been hidden and cared for.

It is emphasized by F that to avoid endangering organization, above information must be kept strictly secret.

HARRISON

TELEGRAM SENT

This telegram must be paraphrased before being communicated to anyone other than a Government agency. (CRAY)

April 25, 1944

4 p.m.

AMBASSY,

ANKARA.

363

FOR THE AMBASSADOR FROM WAR REFUGEE BOARD.

WEB no. 29.

Following from Paul Baerwald of the American Jewish Joint Distribution Committee:

QUOTE Deeply grateful your sympathetic understanding and cooperation in relief and rescue many unfortunates. Behalf Joint Distribution Committee wish extend to you our appreciation for your kind assistance UNQUOTE.

HULL
(GLW)

WEB:GLW:EG
4/22/44

S/CR

EB

SWP

ORIGINAL TEXT TO TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, Ankara
DATED: April 25, 1944
NUMBER: 366

CONFIDENTIAL

This is WEB cable to Ankara no. 28.

As previously advised, you should effect in Turkey all insurance required by charter for SS TARI except war risk on vessel. As indicated in our no. 306 of April 8 war risk on vessel will be placed here through War Shipping Administration. Advise us immediately when TARI is ready to depart in order that war risk insurance can be placed here. This matter has been discussed with Hirschmann who is in complete accord.

HULL

HCB-336

This telegram must be paraphrased before being communicated to anyone other than a Governmental agency. (SR)

Ankara

Dated April 25, 1944.

Rec'd 2:19 p.m., 26th

Secretary of State,

Washington.

746, April 25, 11 p.m.

FOR WEB FROM THE AMBASSADOR ANKARA, No. 46.

The Bulgarian SS BELLACITTA arrived in Istanbul yesterday afternoon with 152 Jewish refugees on board. As stated in my telegram 713, April 19, I do not anticipate any difficulty in arranging for the prompt transit of these refugees to Palestine.

STEINHARDT

PROPOSED TELEGRAM TO AMERICAN CONSUL GENERAL, ISTANBUL

War Refugee Board most appreciative your reports on conditions and refugees problems in Greece. Reference your despatch 2680, March 18, Board would welcome further development by you your suggestions for evacuation Greek Jews and non-Greek refugees with cooperation HAM and Allied escape services. Board believed it can arrange for funds and such additional assistance as may be necessary to permit escape from Greece victims of enemy oppression who are in imminent danger of death, regardless of their religion, nationality or stateless status. Please telegraph estimate amount required to initiate your proposals.

Your cooperation in this matter will be most appreciated.

Repeated to Ankara and MacVeigh at Cairo.

April 25, 1944
4:15 pm.

MSandishlon
4-23-44

AIRGRAM TO AMERICAN EMBASSY AT MONTEVIDEO, URUGUAY

Department and War Refugee Board are informed that a certain number of Jews, mostly of Polish origin, now in German-controlled territory, hold passports and consular documents issued in the name of Uruguay. It is requested therefore that you attempt to obtain cooperation of Uruguayan authorities in American efforts to save these people in the same manner in which the cooperation of other Latin American countries has been requested, whose documents are found to have been issued to Jews in German-held territory.

To this end, circular airgrams of March 31, 1:05 p.m., of April 10, 11:00 a.m., and of _____ are being repeated to you, and you are requested to take action in accordance therewith.

Department understands that Vatican had also attempted to work out relief measures for Jews in German-held territory holding Uruguayan documents. Apparently, the question of eventual immigration as result of possible exchange was raised in addition to the question of recognition of documents. Uruguay is reported to have replied that each case would be considered individually.

Please verify above information and emphasize that Department's request does not (repeat not) involve immigration but, on the contrary, contains assurances that Uruguay will not (repeat not) be expected to admit persons concerned even on a temporary basis. Accordingly, we hope that Uruguay, in the interests of humanity, will postpone any questioning of said documents, meanwhile requesting Germans to accord holders treatment to which Uruguayans are entitled, and will also agree to the persons concerned being considered exchange material.

In the light of the above assurances, please impress upon the Uruguayan government the extreme urgency of acquiescing in our requests and of acting upon them without delay. You should impress upon Uruguayan officials that since failure to act would almost certainly spell death for the persons involved, and that since no (repeat no) responsibilities or obligations would result for Uruguay from acquiescence in our requests, we would be sorely disappointed if Uruguayan authorities would not (repeat not) wholeheartedly cooperate with our efforts to save these people.

Please advise Department of the result of your efforts.

April 25, 1944
 4:15 p.m.

Bakris:jp 4/25/44

NCB-935

This telegram must be paraphrased before being communicated to anyone other than a Governmental agency. (BR)

Chungking via NR

Dated April 25, 1944

Rec'd 9:58 a.m.

Secretary of State,

Washington.

726; April 25, 9 a.m.

TO SECRETARY OF THE TREASURY FROM

DEPARTMENT OF STATE
DIVISION OF
APR 26 1944
COMMUNICATIONS
AND RECORDS

My 591, April 1. Dr. Cressy informs me he has received cable from his home office according to which you would not appear to have received my 591 which am therefore repeating:

"591, April 4, 10 a.m.

TO SECRETARY OF THE TREASURY FROM ADLER.

Dr. Cressy of National Christian Council informed me that he had been advised from New York that the Treasury would have no objection to the sale of United States dollar drafts to reputable business organizations and individuals to be paid into blocked accounts in the United States provided Foreign Exchange Control Commission here were not opposed. Cressy also said he had been instructed to take up question with me. Accordingly I informally took up the matter with Dr. Kung last Friday; he indicated that the Foreign

Exchange

-2-#726, April 25, 9 a.m. from Chungking via NR

Exchange Control Commission would have no objection to missionary, et cetera, organizations acquiring fapi in the above manner provided that it was kept informed of the transactions."

Cressy also informed me that University of Nanking now urgently requires CN and would like to carry out a transaction of the kind contemplated. I see no objection to Treasury's licensing this transaction.

GAUSS

BB

TELEGRAM SENT

LC
This telegram must be
paraphrased before being
communicated to anyone
other than a Governmental
agency. (BR)

April 25, 1944

3 a.m.

US URGENT

AMEMBASSY,

LONDON.

3288

FOR THE AMBASSADOR.

The Secretary of the Treasury has requested that I transmit the following message to you:

QUOTE I am deeply grateful to you for the help you gave us in arranging matters in London. It was important to be able to inform the Congressional committees that experts of the United Nations, including the U.K., the U.S.S.R. and China, have agreed with us on a Joint Statement recommending the establishment of an International Monetary Fund.

Please deliver the following personal message to the Chancellor of the Exchequer.

INNER QUOTE 1. I wish to express my sincere thanks for your message of April 18, and for your friendly consideration

-2- #3288, April 25, 1944, 3 a.m., to London

consideration of our views as expressed in my earlier messages to you.

2. The Joint Statement was well received in the seven Congressional committees and particularly in those of the Senate. The press has given prominence to the Joint Statement. With reference to paragraph 2 of your message, you may be interested in this extract from my statement to the Congressional committees and the press:

SUB QUOTE The tentative proposals that have been under discussion by the technical experts are part of a program for cooperation on international economic problems among the United Nations. The objectives of this program are the expansion and development of international trade, the restoration of international investment for productive purposes, the maintenance of stable and orderly exchanges. Through these means we can contribute to a high level of employment and production. The establishment of an International Monetary Fund and a Bank for Reconstruction and Development are important steps in the attainment of the objectives of this broad program. END SUB QUOTE.

3. I am glad to note your view that if for any
reason

-3- #3288, April 25, 1944, 3 a.m., to London

reason the contemplated Parliamentary debate is deferred for an considerable time you would not expect me to hold back on that account from the action we may wish to take. While we shall not make any formal announcement at this time, we shall continue our preparations for a conference to be convened about May 26.

4. While the text of the Joint Statement will have reached some governments only recently, the principles have, of course, been discussed at considerable length by our ^{and your} technical staffs with the technical experts of some 30 countries. I have no doubt that the experts of these countries will find themselves thoroughly familiar with the principles of the Joint Statement.

I assume that we are in agreement in our conception of the nature of the conference which we have discussed. I have in mind a conference of the type discussed with your experts last October which would examine the statement of principles and formulate the definite proposals referred to in the preamble to the joint statement. It has always been my understanding that the conference would result in an agreement for the establishment of a monetary fund, and I hope a bank as well, to be submitted to the Governments for ratification in accordance with their respective constitutional procedures.

This is the

-4- #3288, April 25, 1944, 3 a.m., to London

This is the procedure I put before the Congressional committees.

5. I have discussed with Secretary of State Hull the further steps that should now be taken. We are agreed that after informal consultation the following programs should be followed: (a) a drafting committee of experts from 8 to 10 countries should be convened in Washington about May 10 to prepare an agenda and drafts to be considered by a conference; (b) the formal invitations to the conference would be sent about May 1; and (c) the conference would hold its first plenary session about May 26.

The President has informed me that he will appoint me to head the United States delegation which will include some members of Congress. It seems to me that if you could come to the United States at the head of the U.K. delegation it would provide an excellent opportunity for us to become acquainted and to go over our common problems with our colleagues from the Soviet Union and China. I appreciate that urgent Treasury business may make it difficult to be away from London throughout a conference, but it is my earnest hope that it will be possible for you to come.

6. Because

-5- #3288, April 25, 1944, 3 a.m., to London

6. Because your message reached me too late, I informed the Congressional committees that we had not yet completed discussions on the Bank proposal. No statement of principles on the Bank was released. In the meantime, Mr. Opie has presented to Mr. White the views of the British technical experts on the statement of principles for the establishment of a Bank.

Mr. White informs me that he believes it should be possible to reach common ground on these principles. Further explorations could go forward now through Mr. Opie, and when your technical representatives arrive for the drafting committee the remaining points could be more fully discussed directly with them. We are also continuing discussions of the Bank proposal with other countries. END INNER QUOTE. END QUOTE.

The Department and the Secretary of the Treasury would like your views concerning the Chancellor's reaction to the above message as soon as possible.

HULL
(MNH)

FMA:EGC

S:MNH:dfb

TELEGRAM SENT

MJB
 This telegram must be
 paraphrased before being
 communicated to anyone
 other than a Government
 agency. (BR).

April 25, 1944

2 a.m.

US URGENT

AMEMBASSY.

MOSCOW

1614

FOR THE AMBASSADOR.

The Secretary of the Treasury has requested that
 I transmit the following message to you:

QUOTE I am deeply grateful to you for the help you
 gave us in arranging matters in Moscow. It was important
 to be able to inform the Congressional committees that
 experts of the United Nations, including the U.K., the
 U.S.S.R. and China, have agreed with us on a Joint State-
 ment recommending the establishment of an International
 Monetary Fund.

Please deliver the following personal message to the
 People's Commissar of Finance:

BEGIN MESSAGE TO COMMISSAR. 1. I wish again to
 express my sincere thanks for your cooperation
 and for your friendly consideration

of our

-2-#1614, April 25, 2 a.m., to Moscow

of our views as expressed in my earlier messages to you.

2. The Joint Statement was well received in the seven Congressional committees and particularly in those of the Senate. The press has given prominence to the Joint Statement.

3. While the text of the Joint Statement will have reached some governments only recently, the principles have, of course, been discussed at considerable length by our and your technical staffs with the technical experts of some 30 countries. I have no doubt that the experts of these countries will find themselves thoroughly familiar with the principles of the Joint Statement.

4. I have discussed with Secretary of State Hull the further steps that should now be taken. We are agreed that after informal consultation the following program should be followed: (a) A drafting committee of experts from 8 to 10 countries should be convened in Washington about May 10 to prepare an agenda and drafts to be considered by a conference. (b) The formal invitations to the conference would be sent about May 1. (c) The conference would hold its first plenary session about May 26.

The President has informed me that he will appoint
me to

-3-#1614, April 25, 2 a.m., to Moscow

me to head the United States delegation which will include some members of Congress. It seems to me that if you could come to the United States at the head of the Soviet delegation it would provide an excellent opportunity for us to become acquainted and to go over our common problems with our colleagues from the United Kingdom and China. I appreciate that it may be difficult to be away from Moscow throughout a conference, but it is my earnest hope that it will be possible for you to come.

5. Meantime we expect to continue our discussions with the technical experts of the Soviet Government on both the International Fund and the International Bank.

End of message to Commissar; End Quote.

Please transmit the substance of the above message to Molotov and report to the Department and the Secretary of the Treasury as soon as possible concerning the reaction of Molotov and Commissar of Finance to the above message.

FMA:EGC
S MNH:MCW

HULL
(MNH)

PLAIN
MOSCOW
Dated April 25, 1944
Rec'd 3:45 p.m., 26th

Secretary of State
Washington.

1423, twenty-fifth.

In addition to the publication in IZVESTIYA of the text of the joint declaration of the experts concerning the organization of the international monetary fund, Moscow papers for April 23 publish four other items on this subject:

One. An eight inch Tass despatch from Washington reporting the publication of the declaration and summarizing the purposes and organization of the proposed fund. The item also cites White's statement that the question of the formation of an international bank is under study.

Two. Secretary Hull's press conference statement welcoming the success of the negotiations and calling for accomplishment of the program outlined before the end of the war.

Three. Secretary Morgenthau's statement to press that Soviet Union had agreed to plan and that plan had been accepted jointly by all the United Nations.

Four. A Tass despatch from London quoting the TIMES which warns against exaggerating the extent of this success and points out that an expansion of international trade cannot be attained through international monetary agreements if the principle industrial countries do not conduct an active policy and that the significance of the plan will depend in great part on the eventual monetary and export policy of the United States and the planned or random development of American industrial production.

HARRIMAN

WED

ef:copy
5-1-44

NOT TO BE RE-TRANSMITTEDCOPY NO. 11SECRETOPTEL No. 133

Information received up to 10 a.m., 25th April, 1944.

1. NAVAL

A Norwegian Submarine off NORWAY on 19th and 22nd respectively torpedoed a U-boat and a 2,000 ton ship. One of our motor torpedo boats was sunk yesterday morning as result of encounter with enemy force off BARELEUR.

2. MILITARY

BURMA. 22nd. South of IMPHAL Japanese evacuated KINGPI, but on PALEI-TAMU Road they occupied two features after determined attack heavily supported by artillery. The KOHIMA Garrison has been relieved without enemy interference although still some Japanese activity near KOHIMA-MANIPUR Road.

3. AIR OPERATIONS

WESTERN FRONT. 24th. 754 escorted U.S. heavy bombers despatched:

211 dropped 439 tons on aircraft factories and installations FRIEDRICHSHAFEN - bombing good on all objectives
 193 dropped 260 tons on similar factories near MUNICH - results good to excellent
 275 dropped 570 tons on three airfields with results good to excellent
 37 dropped 77 tons on various targets.

39 bombers and 20 escorting fighters missing. Escorting fighters reported 74 enemy aircraft destroyed in the air and 59 on the ground. 89 fighter bombers attacked chiefly transport objectives in FRANCE and BELGIUM.

24th/25th. 981 aircraft despatched:

KARLSRUHE	637 (20 missing)
MUNICH	259 (10 missing)
Other objectives	85

Preliminary reports - KARLSRUHE: complete cloud, concentrated bombing on markers, large fires. MUNICH: clear weather, huge fires covering very big area.

ITALY. From 21st to 22nd inclusive 744 aircraft attacked communications in Central ITALY.

OPTEL No. 132 not sent to Washington

April 26, 1944
8:30 p.m.

INTERNATIONAL STABILIZATION

Present: Mr. White
Mr. O'Connell
Mr. Luxford
Mr. Bernstein
Mr. Smith
Mrs. Klotz

H.M.JR: I asked you gentlemen to come down because this is a pretty important decision to make. To try to read me a cable over the telephone and then decide whether you want to hold a world-wide conference, is a little bit too much. I wanted you all to share the responsibility with me. Public relations - and there there are politics in the whole thing - and the Hill - I am ready for the message as it is drafted.

MR. WHITE: Here it is. (Hands the Secretary attached draft entitled "Telegram for the President from the Secretary of the Treasury.")

H.M.JR: Has this been cleared by Mr. Hull?

MR. WHITE: That is what I was informed by Mr. Collado, that Mr. Acheson, Mr. Pasvolisky and himself had cleared it. I asked him today if Mr. Hull had cleared it, and he said yes.

H.M.JR: You first thought that I wanted you to come to New York.

MR. WHITE: Yes.

H.M.JR: I didn't want you to come to New York.

Do we know this was published in Moscow and Chungking?

- 2 -

MR. WHITE: We know it was published in Moscow and Chungking, yes. And several other places - Mexico City--

H.M.JR: Now, you keep saying "with the approval." Would you say "with the approval," or "with the concurrence"?

MR. LUXFORD: They approved it.

H.M.JR: That is stronger?

MR. LUXFORD: Sure.

H.M.JR: The only thing is, can't I do the thing without their approval?

MR. WHITE: There is no step that we have taken that hasn't been with their approval.

H.M.JR: You don't get my point.

MR. LUXFORD: I do. We always want their approval as long as they approve.

MR. WHITE: No, the Secretary's thought is, does he want to imply here that he needs their approval rather than their concurrence.

MR. LUXFORD: I know.

H.M.JR: There is a difference in the word.

Well, I will read the thing through. (The Secretary reads the attached draft to himself)

It didn't go to the Commissar of Finance. I said particularly, to the appropriate authorities, do you remember--

MR. BERNSTEIN: Yes, it went to Molotov and to the Commissar. We can change it in there.

- 3 -

H.M.JR: I don't think it makes any difference, from the present standpoint.

Now, how is the President going to react to, "(1) issue formal invitations about May 1"?

MR. WHITE: Standing by itself, it is bad, but taken together with "These steps, of course, are subject to your approval" and "Both countries have been advised that a final decision on a conference rests with you" - he has already indicated if there is to be a conference, he wants it in May.

H.M.JR: I see. Well, now look, gentlemen, this is going to make it taste much better. Do you have a pencil? "With the approval of the State Department, but, of course, subject to your final approval"--

MR. WHITE: Well, you didn't send the message. This "with the approval of the State Department" refers to the message.

H.M.JR: Then where would you put it?

MR. WHITE: Yes, you want to get it first.

MR. SMITH: At the end of that sentence, "...subject, of course, to your approval."

H.M.JR: Yes, "...we propose to take the following steps, subject to your approval." "...subject, of course, to your approval."

MR. WHITE: "Subject, of course," because we didn't put that in the telegram.

H.M.JR: "Subject, of course, to your approval." All right? Anybody in disagreement? That makes it taste different.

MR. WHITE: All right.

- 4 -

H.M.JR: "Both countries have been advised that a final decision on a conference rests with you." That is all right.

MR. LUXFORD: Take out this sentence, "These steps, of course, are subject to your approval."

MR. BERNSTEIN: After, "...about May 26."

H.M.JR: Yes, that will be deleted and it will go right after "consultation - invitations about May 1, subject to your approval."

MR. WHITE: "Subject to your approval," should follow the steps.

H.M.JR: Now, how will it be?

MR. LUXFORD: "With the approval of the State Department, I have sent a message to the Chancellor of the Exchequer and the People's Commissar of Finance informing them that after consultation we propose to take the following steps, subject, of course, to your approval:"

MR. SMITH: Can't you take out those "abouts"? Why don't you make it definite - "...invitations May 1; ten countries May 10" - see? You have "about" and "about."

H.M.JR: "Issue formal invitations May 1"?

MR. SMITH: It is all a tentative schedule, anyway.

H.M.JR: I think he is right.

MR. SMITH: Then your May 10, and May 26--

H.M.JR: I think he is right.

(Reading) "Both countries have been advised that a final decision on a conference rests with you. After we hear from London and Moscow we should like to go forward with these steps and have invitations sent in your name to the Governments of the United and Associated Nations."

- 5 -

Instead of saying, "...and have invitations sent in your name," couldn't we say, "...and have you issue invitations"?

All right so far?

MR. LUXFORD: Yes.

H.M. JR: "To conform with this close time schedule"--

MR. O'CONNELL: I don't think that has much to do with it.

MR. LUXFORD: It has as much to do with getting State on the line as anything else, because Pasvolksy was trying for the formalities.

H.M. JR: Then you would say, "...with this tight schedule"?

MR. LUXFORD: All right.

H.M. JR: "To conform with this tight schedule, we are forced to telescope procedures and disperse with needless formalities."

"If you approve of this procedure, may we have your authorization to go ahead." Instead of saying, "may we," I suggest, "we would like to have your authorization." Would you think we should say, "...your prompt authorization"?

MR. BERNSTEIN: The fact that you telegraphed to him now, indicates that.

MR. SMITH: Why don't you leave that "may we have" and say, "If you approve this procedure, Secretary Hull and I can work out many of the details," and so forth? Then in your last sentence, "May we have your authorization?" That is the dotted line.

- 6 -

H.M.JR: "If you approve this procedure, Secretary Hull" - no--

MRS. KLOTZ: It doesn't go together.

H.M.JR: "If you approve this procedure" - what did you say?

MR. LUXFORD: "...we would like to have your prompt approval."

H.M.JR: I would leave out the word "prompt." I don't like "may we." How did I put it?

MR. O'CONNELL: "We would like to have your authorization," without saying, "...if you approve."

H.M.JR: No, I think you need that.

MR. WHITE: I think you need that.

H.M.JR: "If you approve, we would like to have your authorization to go ahead" - "...we would like to have your authorization by telegram."

MR. O'CONNELL: Or "...would like to be so advised."

H.M.JR: He has been awfully prompt.

MR. SMITH: "If you approve this procedure, we would appreciate your telegraphing us your authorization to go ahead."

MR. LUXFORD: Sounds very much like you are trying to push him into it.

H.M.JR: No, he wouldn't object to that. "If you approve this procedure, we would like to have your telegraphic authorization to go ahead."

MR. SMITH: Yes. Why don't you take that whole sentence and move it last?

- 7 -

H.M.JR: Wait until I read the whole thing, will you? (Reads to himself)

Now, what do you suggest?

MR. SMITH: I suggest that you leave out, "If you approve this procedure" - take it out. Then you follow with, "Secretary Hull and I can work together," and so forth, and tell the whole story; then you say, in the last sentence, "Secretary Hull is in agreement with me on this telegram. If you approve this procedure, will you telegraph us?"

H.M.JR: Yes, that is where that belongs.

MR. O'CONNELL: At the very end?

H.M.JR: Yes, that gives them the last thing.

But now let me see, "Secretary Hull and I can work out many of the details without troubling you" - what were you going to say?

MR. SMITH: I thought it would be easier to understand if you said, "Secretary Hull and I can work out the details without troubling you further, but of course, on all major political matters"--

H.M.JR: No, I prefer it the way it is. I don't like the word "political."

MR. O'CONNELL: Neither do I.

H.M.JR: "...on all major questions"?

MR. O'CONNELL: "...but on some major matters, such as the selection of delegates"--

H.M.JR: Say that again.

MR. O'CONNELL: "Secretary Hull and I can work out the details without troubling you"--

- 8 -

H.M.JR: "Secretary Hull and I can work out most of the details"--

MR. O'CONNELL: "...but on some major matters, such as the selection of delegates, we will have to trouble you further."

H.M.JR: Not "trouble," "...we shall refer back to you for guidance," or, "we shall consult you."

MR. O'CONNELL: He has to actually select the delegates.

H.M.JR: "...we shall" what - "consult"?

MR. LUXFORD: "...we shall refer back to you." I think he would want to feel that he was making the decision on that.

H.M.JR: Well, how does it read, Luxford? You have been keeping tab.

MR. LUXFORD: Just a minute. "Secretary Hull and I can work out most of the details without further troubling you; but of course on all major matters," or "on such matters as the selection of delegates, we shall refer back to you."

H.M.JR: I don't like that; say, "...we shall consult you."

MR. LUXFORD: All right.

H.M.JR: Then what comes next?

MR. LUXFORD: Then you would have, "Secretary Hull is in agreement with me on this telegram," and then the sentence we agreed to put last.

H.M.JR: How does that read?

MR. LUXFORD: "If you approve this procedure, we would like to have your telegraphic authorization to go ahead."

- 9 -

H.M.JR: Say that again, please.

MR. LUXFORD: "If you approve this procedure, we would like to have your telegraphic authorization to go ahead."

H.M.JR: I don't like it. Say it again?

MR. LUXFORD: "If you approve this procedure, we would like to have your telegraphic authorization to go ahead."

H.M.JR: "...to proceed."

MRS. KLOTZ: You have "procedure" and "proceed."

H.M.JR: "...to go ahead," that is all right.

Now let me ask you this, Harry, supposing the President says yes. What are the chances of failure on this thing?

MR. WHITE: Well, the immediate obstacles, outside of the President's approval: One, if the Chancellor of the Exchequer says (a) he can't come himself, but will send the best delegation they can - I don't think, in the light of his telegram, he would say, "We cannot participate," because he has practically said, "We will adapt ourselves to your wishes," and I don't think he could go back on that unless Churchill stepped in the picture; (b) Moscow might likewise take one of two positions, or both; (1) they may say, "The time is inopportune; I cannot leave Moscow at this time; and we have no men," or, "We will send a delegation"; (2) they may say, "Before we send a delegation, we want to clear up the points about which we are in disagreement." All the points that we are in disagreement, I don't think we would have any trouble with; they are not insuperable. There would be some trouble, but we could agree. But one point we cannot agree on if they stick to their position, and that is to exclude newly-mined gold from consideration. Now, if they continue to take that position - they may come into the conference and insist on that position. I don't know whether we could compromise it as a possibility. On the other hand, they are not in a good position to stand out and be left out of the conference.

- 10 -

I get a little bit the feeling that England would almost prefer that they didn't come in, but I am not sure. But that is one of the dangers. The second danger of the conference, there may be some obstacles outside the matters which we have enumerated, but I don't think they are insuperable. I don't see insuperable obstacles outside of those I have named.

There may possibly be a number of countries who have not been consulted on the final draft, who may be obstreperous, and who may not even go along, but my judgment would be that most of them will, and that there would not be any insuperable difficulties outside that one in Russia. But that would be my judgment.

H.M.JR: What I don't understand is this - now, they call a conference; they come here, and the Russians seem to kick over the traces - have you followed it? Has anybody followed it here?

MR. WHITE: I thought they wouldn't even come - the ILO--

H.M.JR: The last two days?

MR. WHITE: They wouldn't come. They say they have left the League of Nations and they have been invited but they refused to come.

MR. LUXFORD: But they were only invited as observers; they didn't invite them to full membership. That is what the radio said tonight.

H.M.JR: Did the Russians come as full members and then kick over the traces?

MR. WHITE: I don't think the case is comparable, Mr. Secretary.

MR. LUXFORD: The radio said "observers," tonight.

H.M.JR: I am asking.

- 11 -

MR. WHITE: I know that they have been invited, whether as observers or not, and they have so far refused to attend because they say they have left the League. The ILO is part of the League, and they haven't made up their minds to join.

H.M. JR: What you are saying here is, we are not asking the President to call this conference on May 1 unless we hear to the affirmative from England and Russia beforehand.

MR. WHITE: No, we leave that open, so it is susceptible of any interpretation you wish. In other words--

H.M. JR: Excuse me, do you mind if I read this, please? "After we hear from London and Moscow we should like to go forward with these steps and have invitations sent in your name" - after we hear.

MR. WHITE: But it doesn't say "after we hear favorably."

H.M. JR: If I read that as the President of the United States as I read it as Secretary of the Treasury, I certainly would interpret that meaning only if you heard favorably.

MR. WHITE: After you hear from Russia it may be so unfavorable you may not wish to go ahead. That leaves an out.

H.M. JR: But it is one thing to tell the Russians the English have agreed before they have, but after all, this sentence to the President of the United States, as it means to me - I am tired, but I am not so tired that I can't get the significance of this thing - "After we hear from London and Moscow we should like to go forward with these steps and have invitations sent in your name"--

MR. WHITE: May I go ahead, because I wasn't finished before.

- 12 -

H.M.JR: Do you yield?

MR. WHITE: If the Russians reply favorably, then you would go ahead; if the Russians reply unfavorably, then you would have to make a decision at that point, whether you again want to contact the President or go ahead, or whether you don't.

H.M.JR: Now listen, as the boss, I am going to talk. I want it understood here tonight before the stenotype operator, that I don't want to have you fellows putting pressure on me; that I am a very weak, delicate person; I can't resist pressure! If England and Russia say no, I want to know tonight, before this message goes, what you, Mr. White, who are in charge of this thing, what you are going to say. If England and Russia say, "We will not participate in this"--

MR. WHITE: I wouldn't call the conference.

H.M.JR: Supposing Russia says no, alone, and England says yes?

MR. WHITE: I don't know; I am doubtful.

H.M.JR: Well, you have to say yes or no to me tonight.

MR. WHITE: I don't know. I can't. I would want to think it over - talk it over. It is a serious step.

H.M.JR: I am not going to send - how about if England says no and Russia, yes?

MR. WHITE: Definitely not. The conference can't take place without England being present.

H.M.JR: Then the only thing you have to tell me - I have to know what I am doing before I send this to the President; I am entitled to know.

MR. WHITE: By all means. The English have practically said yes.

- 13 -

H.M.JR: All right, but if England says no, no conference; if Russia says no, then what?

MR. WHITE: Well--

MR. BERNSTEIN: There is one other case we ought to consider. Suppose the answers are equivocal from both places - they don't say yes, and they don't say no?

MR. WHITE: Wait a minute. Let's try to answer the simpler question - Russia says no. I would be very hesitant about calling the conference, not because they are important economically, but because it starts off on the wrong foot. You already have an obstacle to begin with, and this thing has got to click on all cylinders or it will sour. So I would be a little bit hesitant about going forward. I would rather postpone the date and see what is the trouble.

H.M.JR: Yes, but as of tonight, I have got to nail you down. Everybody else in the room will have a chance to talk.

MR. WHITE: I think - though, as I say, I don't come to that conclusion with the degree of certainty that I wouldn't be susceptible to changing my mind, but as I feel now, I don't think I would call the conference if the Russians said, "We are not going to participate."

H.M.JR: On the record, the answer to my question is that Mr. White, the head of the technicians says, if the Russians say no, they will not send delegates -- what will your advice be to the Secretary of the Treasury? Should he proceed with the conference or should he not? I want a clear yes or no.

MR. WHITE: I don't think you should. The answer is no. We should continue our discussions, but not call a conference.

H.M.JR: Now you (Luxford) come next.

- 14 -

MR. LUXFORD: Those answers are all right with me, but I think there are some further facts that should be on the table, if that is all right with you.

H.M.JR: Look here, look, gentlemen, why did I call you tonight? I have done everything in my power as Secretary of the Treasury to supplement White's work. I am now crossing this bridge tonight, and the President has a perfect right, as has Mr. Hull - that is why I am being so careful - when Hull called me on the telephone the other morning - let me remind you how things go - Hull calls me up and says, "I hear you are going to call this conference in July. Is that correct? Somebody told me."

I said, "No. After all, Cordell, you yourself recommended to the President we have it." "Oh, no, I didn't," says Hull. He said, "I told him that White persuaded my people that we should have it then. I didn't tell the President. I simply reported to him that White persuaded my people. You recommended the conference. Is that correct?"

He could say that this thing won't work out and will become a great political issue. "I didn't know this, Mr. President. Morgenthau persuaded me to do it against my better judgment."

If he would do that the other day - and you people can read the conversation - in other words, the Treasury gang has to stick together, win or lose, and before I say, "Mr. President," I am going to put you fellows on the spot. Because, win or lose, he has a right to say to me, if the man runs again, "Well, Henry, you advised me badly. You had no right to do this!"

"I didn't read this! I never would have invited these people if I thought you would have gone ahead with Russia saying no, and called a conference." I am explaining this because of what happened the other day, to my amazement. The President called me on the telephone and said, "Henry, it is all right. Go ahead with the conference." I never asked him. If Hull will wash his hands as quickly as that of responsibility, what will he do if it doesn't go right?

- 15 -

MR. WHITE: He will wash his hands in a minute.

H.M.JR: Am I right?

MR. WHITE: You are wholly right.

H.M.JR: Everybody in the room has a chance, but I didn't want you to think that Morgenthau came down from the farm and is trying to put each of you on the spot.

MR. LUXFORD: Do you remember the trouble we had the other night, Mr. Secretary, trying to get these cables to Moscow and England through the State Department? It was Pasvolksy over there that was insisting that we had to address those messages through State Department channels formally to the Government of both Russia and Moscow. Now, we had just gotten through with this experience of the difficulty of getting a yes or no answer when you put it up to them formally in that way.

We had the Chancellor of the Exchequer asking us to call the conference, and he had gone along. Now, what this is addressed to, you have sent those cables out. If we get informal replies back from the Chancellor, as well as from Russia, that they are willing to go along with it, fine. But we didn't want State to be in a position to say, "Well, now, look, you have got to get the approval of the British Government; therefore, you can't go ahead."

H.M.JR: Frankly, what you say doesn't make sense to me. I don't understand it. If it is important, all right; if it isn't, you are splitting hairs in quarters.

MR. BERNSTEIN: I think we could put it in more general terms, Mr. Secretary. I agree with Mr. Luxford. It is this point: You may get an answer from London, and you may get an answer from Moscow which doesn't say yes and doesn't say no, but hinting ahead, "Arrange everything, and we will probably go along," is the implication. Now, you are very likely to get some such answer. There is a strong likelihood of that.

MR. LUXFORD: You will get an answer from the Chancellor of the Exchequer, "Go ahead." The Chancellor of the Exchequer

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would say yes. Pasvolsky was trying to say that that isn't enough.

H.M.JR: That doesn't bother me.

MR. LUXFORD: That is what we were heading off.

H.M.JR: That doesn't bother me vis-a-vis the President, what Bernstein said. Now, where did I see you, on the farm? He feels that the Chancellor was saying, "Go ahead, but don't ask me too many questions until I am through with Parliament." See? But that has nothing to do with us, with Mr. Pasvolsky or anybody else, but I don't want to be in the position that this cable goes out the way it is worded, and then White comes around and says, "Look, you sent it; you have to go through with it." See?

In other words, I feel that in this year England and Russia have to make up their minds on two vital things for them in post-war, and this is just as strong a wind: One, is Russia going to play ball with the rest of the world on external matters, which she has never done before? And, two, is England going to play with the United Nations, or is she going to play with the Dominions? Now, both of these countries have to make up their minds, and, gentlemen, I am not going to take anything less than a yes or no from them. I am not, because this, for them, is a terrifically important thing, not the monetary conference as such, but what is their position going to be? And once they come in, then they have crossed that bridge. And I am not going to take the sort of thing that Harry was trying to give me. I am not trying to be personal.

MR. WHITE: What was I trying to give them?

H.M.JR: What I am trying to say is this: I have to pin you down and take my coat off. I will not take anything; I want to make my position very clear before this cable goes. I want a clean-cut yes from the Russians and the English before I say to the President, "You go ahead in your name and go out on the end of a limb inviting these countries to come in."

MR. WHITE: I agree with you wholly that you shouldn't take any risk.

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H.M.JR: Wait a minute. I am not running for office. I haven't the whole post-war problem on my shoulders, but he has, and I am not going to put him in that position.

MR. WHITE: It isn't that. I mean, we can't afford-- there are enough risks as it is inherent in any international conference. You can't afford to let the thing go sour because of inadequate preparation or inadequate assurance before you start. It is better to bend backwards in that respect. I agree with that.

H.M.JR: Look, I don't know what was wrong with the London Economic Conference. None of us in this room had anything to do with it, but certainly I am not going to get the President in the position which it took him years to live down. I don't know who was at fault, Hull, Moley, George Harrison--

MR. BERNSTEIN: The fault, Mr. Secretary, lies in the fact that the agenda was written in 1932, and the Conference took place in 1933.

H.M.JR: I know, but after all, you are advising me. I have to advise the President. He is away. Mr. Hull says, "Me, too," but he doesn't stick to it, so the President looks to me. I want a clean-cut understanding with you people tonight that unless we get a clean-cut answer from Russia and England, I will not ask the President to call this conference. And now is the time to settle it.

MR. LUXFORD: That wasn't the big thing we were worried about, putting that language in there, Mr. Secretary.

H.M.JR: But Harry is a very honest fellow, and Harry only crossed the bridge within the last fifteen minutes in his own mind.

MR. WHITE: That is right. We left an out, Mr. Secretary.

H.M.JR: Am I right, Harry?

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MR. WHITE: Quite right, because what we said was this: "Let us wait until we see the kind of answer we get. If the answer in both cases is yes, and favorable, there is no problem." If the answer is something else, then I said we ought to have a meeting and decide where we go from there.

H.M.JR: I want it decided tonight.

MR. SMITH: Could you do this? You are putting down a timetable here. Going through with that timetable would demand almost an absolute yes or no from Russia. Going through with it would demand a yes pretty promptly. If they didn't come through with a yes pretty promptly, you couldn't go through with that timetable anyway. So why couldn't you say in this cable that with the assurance of cooperation we plan that we propose the following steps on May 10--to propose so and so--and on May 26, and so forth. Then if you get into trouble with Russia and England, you have to reconsider the whole business, anyhow.

MR. WHITE: Well, if the decision is that you are not going forward unless you do have their assurances on that basis, then I think that is a good way to handle it.

Now, the only reason I put an if before it is because I would like you to ask what Luxford and Bernstein think, see whether they agree with me. I feel that way, but I feel--

MR. LUXFORD: I would agree with Harry fully, that if the Russians say, "No soap," no conference.

MR. BERNSTEIN: I would feel the same way, because it is better not to have a conference than to show up the United Nations as divided.

MR. WHITE: Therefore, I think you can state in this cable, which is the thing that troubles you to begin with, very clearly that what you mean is their approval. If that is the decision--

MR. LUXFORD: That is fine, but state when you say approval--Pasvolsky says the Government--

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MR. BERNSTEIN: We said the Chancellor of the Exchequer and the Commissar.

MR. O'CONNELL: Luxford, how much would it weaken your position to say, "If we hear favorably from London and Moscow--" ?

H.M.JR: "After we hear affirmatively--"

MR. WHITE: That is all that is necessary. We pulled it out after a lot of discussion.

H.M.JR: "After we hear affirmatively from London and Moscow."

MR. WHITE: Either affirmatively or favorably. We didn't ask them specifically.

MR. LUXFORD: We asked Winant for the reaction of the Exchequer.

H.M.JR: Now listen, fellows, I want to hear affirmatively. I don't want to hear favorably but affirmatively. I make that distinction.

MR. O'CONNELL: If we hear affirmatively, we would like to go ahead.

MR. BERNSTEIN: We ought to bear in mind the type of telegram we have sent, Mr. Secretary, is one that is more likely to call for a favorable than a categorical reply.

H.M.JR: I am not going to go ahead unless I get an affirmative, categorical answer. I am not going to do it. We have just crossed that bridge. Harry has just crossed that bridge, and you fellows agreed.

MR. LUXFORD: No, no, no, you told us that if Russia said no--now, that to my mind is not anything like if they come back and say, "We are favorable," but you don't say yes or no without qualifications.

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MR. WHITE: May I read what we said to him, and then you can tell what the answer has to be?

H.M.JR: Wait a minute. I am not going to let you get away with that. I said I wouldn't go forward unless they said yes or no.

MR. LUXFORD: But those aren't the only alternatives.

H.M.JR: They either want a conference, or they don't. If they want a conference with reservations, no.

MR. WHITE: Well, their reservations that they spoke of with respect to this point--they will not give up those reservations now. If they give them up, it will be in the conference, or they may not give them up. I thought what you referred to was whether they will participate in the conference. The question as to whether or not they will agree to the draft which is formulated is less certain at this stage. I would be inclined to think yes, but that is by no means certain.

H.M.JR: You were going to read me what?

MR. WHITE: You say, "I have discussed with Secretary of State Hull the further steps that should now be taken. We are agreed that after informal consultation the following program should be followed: (a) A drafting committee of experts from 8 to 10 countries should be convened in Washington about May 10 to prepare an agenda and drafts to be considered by a conference. (b) The formal invitations to the conference would be sent about May 1. (c) The conference would hold its first plenary session about May 26."

Then you say, "The President has informed me that he will appoint me to head the United States delegation which will include some members of Congress. It seems to me that if you could come to the United States at the head of the Soviet delegation it would provide an excellent opportunity for us to become acquainted and to go over our common problems with our colleagues from the United Kingdom and China. I appreciate that it may be difficult to be away from Moscow throughout a conference, but it is my earnest hope that it will be possible for you to come."

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"Meantime we expect to continue our discussions with the technical experts of the Soviet Government on both the International Fund and the International Bank."

That is the end of the message.

Then you say to Harriman, "Please transmit the substance of the above message to Molotov."

H.M.JR: Now, what I say is this: If they say, "Yes, we will have a conference," I would be satisfied to go ahead. So I still say I don't see why you can't say, "After we hear favorably"--that is all right.

Now, let me just switch one minute--are you through?

MR. WHITE: I am through with the floor for the moment.

H.M.JR: Can we say truthfully that the Democrats in both Houses are with us on this thing?

MR. O'CONNELL: As a generality we can say yes.

H.M.JR: My impression is yes.

MR. WHITE: I don't think you have a great deal of evidence.

MR. O'CONNELL: Oh, but it would be inconceivable to me.

H.M.JR: Unfortunately the President doesn't get back until May 4. I had hoped he would get back today. We have to give him time to think. Now, I have been wracking my brains, Fred, to try to evaluate this thing from the standpoint of whether it would be good or bad for the President. I just don't know.

MR. SMITH: It will be wonderful if it works. That is a big help, isn't it?

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MR. WHITE: I'll say this for a contemplated conference, there is less chance of its failing than any conference that has ever been held on a major subject, because there is more groundwork, and there is more agreement. That would be my unqualified judgment.

MR. BERNSTEIN: After we work out with the Soviet people that one problem that we have on which we are not certain--

H.M.JR: I don't want to get into a long discussion, but hasn't South Africa made a similar reservation?

MR. BERNSTEIN: No, sir. You might expect them to.

MR. LUXFORD: I don't care if they did.

H.M.JR: They did something about newly-mined gold.

MR. BERNSTEIN: They said they would sell it on the best market which we provide for. They misunderstood. Any one of those small countries can hold out and it won't affect the conclusion.

H.M.JR: You have the thing favorably. Do I have to see it again?

MR. WHITE: There is one further suggestion in line with what you have just said where you say, "The statement was well received." Now, you don't say in this the statement that you have just made. I don't know whether you had in mind to say it orally.

H.M.JR: What do you mean?

MR. WHITE: That the Democrats of both Houses are with you. Only say that it was well received, and I think it can justly be said.

MR. SMITH: Then you have quotations and clippings from Wagner and four or five Democratic--

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H.M.JR: Where are they?

(Mr. Smith hands file of clippings to the Secretary.)

MR. WHITE: Mr. Secretary, we have to know what we are in for, that this plan or any plan is going to be the target for very severe criticism and a lot of mud-slinging on the part of the financial writers and some of the important press. There is no doubt about that, no matter what you say. They already have begun, and they will accentuate it as they think the danger of getting something appears more in the offing. And you have to be prepared for that.

H.M.JR: You have joined my club. They said, "Take a man like Professor White, who doesn't know the first thing about foreign exchange"--did you see that?

MR. WHITE: I saw that.

MR. BERNSTEIN: Where was that?

MR. WHITE: And that Hull knows even less than I do. That is pretty low.

H.M.JR: You have joined my club.

MR. WHITE: There is no doubt of it.

H.M.JR: Well, look, that part doesn't bother me a bit, because if it isn't this, it will be something else. After all, the arguments that you fellows could have used with me, which you didn't--I am going on the other side and say, "Well, the President told you to go ahead; why are you so over-cautious now?" You could have said it.

MR. WHITE: No, it is your problem.

H.M.JR: But I want to be over-cautious. What I am trying to do is to give it to them. It would be perfectly within his right to come back and ask me a lot of questions. That is what I am prepared for and why I wanted two or three days to answer. On the other hand, there is a fifty-fifty chance he will say O.K.

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MR. LUXFORD: Supposing Russia came back equivocal, and Britain said, "Sure, we will be there;" would you put up to the President calling a conference under those circumstances?

H.M.JR: Say it again.

MR. LUXFORD: Supposing Russia didn't say yes or no, but, "We will try to get someone there," and the British say, "Yes, we will go along." Would you even raise with the President the holding of a conference?

H.M.JR: I want them more definite.

MR. LUXFORD: Would you raise with the President?

H.M.JR: I wouldn't go; I would go back at the Russians.

MR. O'CONNELL: Sure.

H.M.JR: I sent these cables the other day without going to the President.

MR. LUXFORD: I mean, I should think you would have to get on the telephone tomorrow with Moscow and London if you are going to get a categorical answer.

MR. WHITE: Look, we say the 1st of May. You are asking for a telegraphic authorization. Supposing the President wants to ask you some questions? Why shouldn't that be his decision, whether by telegraph or whether he shall wait here until Tuesday? Shouldn't you leave the word "telegraphic" out? He knows the date is the 1st.

MR. BERNSTEIN: It isn't Tuesday; it is Thursday he is coming back.

MR. WHITE: He can read the dates.

H.M.JR: It doesn't raise the question, because all of his communication is by telegram; he has no telephone. It is like saying, "Please write me by letter." It is like telling a boy overseas, "I will appreciate your writing by letter." He has no other means of communicating.

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MRS. KLOTZ: If he wants to wait until he gets back, he will telegraph you he wants to wait until he gets back.

H.M.JR: Look, if the man was sitting there and had a telephone and hadn't telegraphed me before--but he sent me two answers by telegram, so I am asking him to send it back to me through what is his usual method of communication. What do you think?

MRS. KLOTZ: I think I would let it go.

H.M.JR: Yes. You boys send it, and I will arrange--

MR. SMITH: Is he likely to ask you whether it will be good or bad for him?

H.M.JR: No, he will make up his own mind. He never has asked me that question.

(Secretary speaking to Mr. McMullen on White House phone:)

Who is this?.....

Sometime within the next hour Agent Bouck of Secret Service will have a message to go by code tonight to the President. Should he go to you or to the map room?.....

Do you remember the other night I gave it to you and it went off all right?.....

This isn't ultra secret; it is just whatever you have there.....

Which would you like me to do?.....

Well, then, do you know Agent Bouck?.....

Where are you located?.....

I will tell Agent Bouck to bring this to the telephone room and it will be sometime---

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You haven't many messages at this hour, have you?....

This will give you something to keep you awake.....

Thank you very much.....

The other one went through very promptly...

(The Secretary gives instructions to Mr. Fitzgerald.)

Now, at the top you say from and to.

MRS. KLOTZ: Just the way you have it, "Telegram for the President from the Secretary of the Treasury."

H.M.JR: That is right. You did the other one the other night. You don't have to come back at me.

MR. WHITE: There is no doubt but if the thing goes well you will share the praise. If it goes sour, you won't share it; you will get it all. There is no doubt about that in my mind.

H.M.JR: Harry, I don't think I quite made myself clear. In all of these years that I have worked with Mr. Roosevelt, I have always been prepared to let him have what is good, and I have always been prepared to take what is bad. I can afford to take it. After all, if it gets too bad, I can always go back and raise apples. But this is very important for him, and I am thinking of him. In all honesty and not Morgenthau, I am thinking of Roosevelt. He may have to run for President. He may have to sit at the peace conference. He should have a record of success for his first conference.

MR. WHITE: I agree.

H.M.JR: So when the armistice is won, he has made a success. If it is a failure, it is a black mark against him. I am terribly sincere about this thing.

MR. WHITE: Quite right. And if it was sour because Russia came out and we jumped the gun because they weren't definite, I think he would have every right to hold you responsible.

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H.M.JR: But again, I am not worried about getting a bad press myself. I am used to it. I am not worried about being blamed. I am not worried about Hull running out on me if it gets hot. I am expecting all of that at a discount, but I and the rest of us in this room have to do everything to look after the President's interests, because the President's interests are the country's interests, what we are going to get out of the peace conference. The first one has to be a success.

MR. WHITE: That is right. And I meant to say what I did to support what you are saying, that the responsibility for the decision rests here, that we cannot take any assurance or any support by passing the buck, because the President is relying on you to make the right kind of decision.

H.M.JR: And if it comes back, I am going to drag my feet if I am not satisfied, and I want you to know why.

TELEGRAM FOR THE PRESIDENT FROM THE
SECRETARY OF THE TREASURY

In accordance with previous arrangements, of which I informed you in my telegram of April 18, I appeared before the appropriate Committees of the Senate and the House on April 21 and discussed with them the Joint Statement of experts on the establishment of an International Monetary Fund. The Statement was well received by the Congressional Committees.

Simultaneous publication had already been arranged in several of the larger countries and the Joint Statement was published in Washington, London, Moscow, Chungking and in other capitals. The press in this country and in other United Nations gave considerable prominence to the Joint Statement.

With the approval of the State Department, I have sent a message to the Chancellor of the Exchequer and the People's Commissar of Finance informing them that after consultation we propose to take the following steps: (1) issue formal invitations about May 1; (2) convene an informal drafting committee of technical experts of about ten countries in Washington about May 10; (3) hold the first plenary session of the conference in this country, but outside Washington, about May 26. These steps, of course, are subject to your approval. Both countries have been advised that a final decision on a conference rests with you. After we hear from London and Moscow we should like to go forward with these steps and have invitations sent in your name to the Governments of the United and Associated Nations. To conform with this close time schedule we are forced to telescope procedures and dispense with needless formalities.

If you approve of this procedure, may we have your authorization to go ahead. Secretary Hull and I can work out many of the details without troubling you; but of course

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on all major political matters, including the selection of delegates, we shall refer back to you.

Secretary Hull is in agreement with me on this telegram.

HDW:EMB:APL:lr 4/26/44

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THE SECRETARY OF THE TREASURY
WASHINGTON

TELEGRAM FOR THE PRESIDENT FROM THE
SECRETARY OF THE TREASURY

COPY

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Secretary Hull and I can work out most of the details without further troubling you; but of course on some major matters such as the selection of delegates we shall consult you.



- 2 -

Secretary Hull is in agreement with me on this telegram.

If you approve of this procedure, we would like to have your telegraphic authorization to go ahead.

photostat to Mr. White 181 ✓
4/27/44

EMBASSY OF THE
UNION OF SOVIET SOCIALIST REPUBLICS
WASHINGTON, D. C.

April 26, 1944

My dear Mr. Secretary:

I am transmitting herewith People's Commissar's
for Finance of the U.S.S.R., Mr. Zverev's reply
to your two messages to him.

This reply was received by cable from
Moscow.

Sincerely yours,

A. Gromyko

The Honorable

Henry Morgenthau, Jr.

Secretary of the Treasury

Treasury Department

Washington, D. C.

TRANSLATION

"I have received your first and second personal messages on the question of publication of the joint statement of experts of United and Associated Nations regarding organization of an international monetary fund.

"As you already know, on April 20, the Soviet Government has instructed the Soviet finance experts, at present in Washington, to identify themselves with your draft of joint statement, in spite of objections on the part of the majority of our experts on a number of points. I can inform you that the full text of the mentioned joint statement was published in Moscow in the newspaper "Izvestia" of April 23, 1944.

"I share your view regarding the joint statement of experts as a further evidence that our countries intend to cooperate side by side in the matter of solution of international monetary and financial problems. I hope, that the favorable cooperation and mutual understanding, which was formed in the course of the present negotiations between experts of the People's Commissariat of Finance of the U.S.S.R. and the United States Treasury, will provide in the future the solution of the questions scheduled for consideration by our experts regarding organization of an international monetary fund with, of course, taking into account the interests of our countries.

"Taking advantage of this opportunity, I thank you, Mr. Secretary, for the attention and warm reception, rendered to the Soviet experts by you personally, and also by your assistant, Mr. White, and by the experts of the Treasury."

APR 26 1944

World Economic Agreement Asked Eccles Statement Made as Hearings Open on Dewey Currency Plan

(Bureau of Journal of Commerce)

WASHINGTON, April 25.—Federal Reserve Board Chairman Marriner S. Eccles today issued a statement on currency stabilization which failed to give specific endorsement to the plan developed by experts of the United Nations but which stressed the need for international economic co-operation.

In his first public statement on efforts to arrive at a basis for agreement, Mr. Eccles withheld commitment as to the merits of the proposals. He said, however, that "it is a matter of no small consequence that agreement of technical experts representing 34 nations of international collaboration has been achieved." The interest of Federal Reserve authorities "in the effects of any arrangements relating to currency stabilization" was pointed out, as well as the fact that Federal Reserve technicians have participated in the currency discussions.

Dewey Hearings Open

Mr. Eccles statement was made public as legislators, considering an alternative proposal to the United Nations experts' plan, were told this country should not "lose" its bargaining position with other nations by entering into an international monetary agreement before clarification by other powers of their postwar policies and ideologies.

In opening sessions on the proposal by Representative Charles S. Dewey (Rep., Ill.) for a \$500,000,000

"Central Reconstruction Fund," the House Foreign Affairs Committee was told by Mr. Dewey that the approach to international monetary stabilization should be through individual conferences and measures with separate nations "each of which could stand on its own feet."

Mr. Dewey warned of postwar uncertainties as to British trade and Russian economic policies and criticized the Treasury's proposed creation of an \$8,000,000,000 central fund as "leaving out the practical consideration of what will be the motives and ideologies of the nations we are asked to help later on?"

Mr. Dewey told a meeting of the Foreign Affairs Committee, unattended by Democrats except for the chairman, that "this country's gold stock is so necessary that we dare not seep out of this country or give away any more of it than is absolutely essential."

He stated that in October, 1942, Federal Reserve notes were secured by 82 per cent of gold, and that

the ratio had fallen to 82 per cent by March of this year. If we continue at the same rate, with the same amount of currency in circulation and the same increased purchase of Government bonds by member banks, the percentage will reach the 40 per cent minimum, Mr. Dewey predicted. "In dollars, that means member Federal Reserve banks may purchase only \$12,500,000,000 more of Government securities."

The Dewey plan to set up a United States revolving fund for reconstruction and currency stabilization purposes was pronounced a "good bargain" by Republican members of the committee "if it would accomplish" what the Treasury's \$8,000,000,000 fund would accomplish, but Chairman Sol Bloom (Dem., N. Y.) stated that the purposes of the two proposals were "entirely different."

Republicans raised question as to the constitutionality of delegation by Congress to an international fund of its powers over the value of money. Representative Karl Mundt (Rep., S. Dak.), Foreign Affairs Committee member, and Representative August H. Anderson (Rep., Minn.) both raised

this question, while Mr. Anderson said he has requested the chairman of the Committee on Coinage, Weights and Measures "to call a hearing at an early date so that the Congress may secure all of the details on the international monetary fund proposal and considered legislation before the President invites the United Nations to take part in the world monetary conference."

Dangers Seen

"There are several dangers of a world monetary conference is held prior to Congressional action," Mr. Anderson said. "What will happen if Congress fails to approve United States participation in the international monetary fund should an agreement be reached be reached by the conference?"

Mr. Anderson contended "Congress alone has the sole power to regulate the value of our money, and therefore, it logically follows that Congress should retain complete control over the monetary affairs of this country until such time as the people have directed otherwise by constitutional amendment."

Handwritten initials

WAR DEPARTMENT

WASHINGTON, D. C.

APR 26 1944

The Honorable,

The Secretary of the Treasury.

Dear Mr. Secretary:

As in the previous War Loans, the War Department will be happy to cooperate with the Treasury Department in the Fifth War Loan to the maximum extent compatible with military necessity. A directive similar to the one issued for the Fourth War Loan is being prepared and will shortly be published.

Since the arrangement regarding service command liaison officers was so successful in the Fourth War Loan, the directive will specify that all requests for Army cooperation from State or local War Finance Committees will be coordinated by such officers. Commanding generals of service commands have been asked to designate liaison officers, and as soon as their names have been reported I shall transmit them to you.

I want to assure you of my deep personal interest in the forthcoming drive and trust that Army cooperation and participation will again contribute materially to its success.

Sincerely yours,



Secretary of War.

STANDARD FORM No. 14 A
APPROVED BY THE PRESIDENT
MARCH 10, 1926

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

TREASURY DEPARTMENT

WASHINGTON

CHARGE TREASURY DEPARTMENT, APPROPRIATION FOR

Official -

(The appropriation from which payable must be stated on above line)

U. S. GOVERNMENT PRINTING OFFICE

2-14117

APRIL 26, 1944

Mr. Ernest L. Olrich
Munsingwear Company
Minneapolis, Minnesota

Delighted you are coming with Treasury and look forward to seeing
you here next week

Henry Morgenthau, Jr.



TREASURY DEPARTMENT
PROCUREMENT DIVISION
WASHINGTON 25



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OFFICE OF THE DIRECTOR

April 26, 1944

M

MEMORANDUM TO THE SECRETARY:

10,929 bicycles have been declared surplus to us and we have initiated discussions with the manufacturers to determine whether they are interested to buy those for which we do not have special requirements. One manufacturer has indicated a desire to purchase those bearing his brand at a price equal to the original cost to the Government.

A conference was held with the executives of the Office Machinery Branch of the War Production Board to discuss tentative policies and procedures with regard to the disposition of surplus property in the office machinery category.

A conference was held with officers of the National Paint, Varnish and Lacquer Association for the purpose of exploring the best approach to disposal of surpluses declared to us in their field.

Cliff Mack
Cliff E. Mack
Director of Procurement

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Mr. Haas' memo in response to Secy.'s request
for information on volume of public works,
particularly sewers, being constructed by
state and local govts., and the reasons that
this construction is being carried on at
present time

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE April 26, 1944

TO Secretary Morgenthau
 FROM Mr. Hass

In accordance with your request for information on (1) the volume of public works, particularly sewers, being constructed by State and local governments, and (2) the reasons that this construction is being carried on at the present time, we called Mr. Arthur Eaton, Director of the Government Division of the War Production Board. He provided us with the following information:

(1) The War Production Board approved 6,039 State and local government public works projects costing \$406 millions during the calendar year 1943. A classification of these projects by activities follows:

	<u>Number</u>	<u>Amount</u> (in millions)
Highways	1,299	\$ 191
Hospitals	833	59
Schools	1,150	35
Sewers	485	24
Recreation centers..	392	6
Churches	419	4
Health centers	79	2
All other	<u>1,382</u>	<u>84</u>
Total	<u>6,039</u>	<u>405</u>

(2) These construction activities are only a small percentage of the average annual volume of public works undertaken by State and local governments. Mr. Eaton had no figures on prewar construction by such governments immediately available, but we find that construction by such governments is estimated to have amounted to \$3 billions in 1941 by the Census Bureau.

Secretary Morgenthau - 2

(3) Most of the 1943 applications concerned areas that had experienced great increases in population or had a congested population situation as a result of the establishment of new war plants or the expansion of plants already in operation. These areas found themselves in critical need of highways, hospitals, schools, sewers, and other public works in order to maintain the morale, health, and productive capacity of their residents.

(4) The War Production Board has established a very strict policy with respect to the construction activities of State and local governments. Mr. Eaton said that rigid standards as to the new activities that will be permitted are in force and that no public works applications are approved unless they conform to these standards.

AMLEGATION

BERN

FOR HARRISON FROM WAR REFUGEE BOARD

Following for Intercross

QUOTE In full agreement with interested American welfare agencies War Refugee Board requests Intercross to approach the German and satellite governments, through appropriate and expedient channels, to bring about with respect to Jews and other persons, detained, interned, or otherwise confined because of race, religion, or political belief (1) treatment equal to that accorded civilian internees to whom Geneva Convention is currently applied by analogy or (2) equal treatment of such persons to the extent at least that reception and distribution of packages under Intercross supervision be permitted them under guarantees equal to those in effect with respect to the civilian internees referred to in (1) above. War Refugee Board feels strongly that (1) above is preferable and suggests that (2) should be presented only if in the judgment of Intercross (1) is unobtainable.

Furthermore, War Refugee Board requests Intercross to make every effort to obtain, wherever possible, for Jews and other victims of Nazi oppression (who though they may not be physically interned have been singled out for persecution) facilities and opportunities to obtain food and other necessities on the basis of equality with the local population both from local or domestic sources and through Intercross channels. In addition, War Refugee Board calls attention to the Board's efforts to bring Jews and other persecuted persons out of German controlled territory in as large numbers as possible. The Board urges that Intercross, through appropriate approaches to the German and other authorities in German controlled territory and through any other means possible, do what it can to assist the departure of these persecuted peoples to neutral countries.

The Board is cognizant of unceasing efforts of Intercross in the direction of making this general program a reality and is appreciative of the humanitarian activities of Intercross. The Board is ready to assist Intercross in every way to effectuate the realization of all of the foregoing UNQUOTE.

Following for Harrison.

War Refugee Board considers the proposed approaches to the German and other authorities through Intercross are of utmost importance to the success of its program. In view of recent military developments, including the reported situation in Hungary, Bulgaria and Rumania, the Board is convinced that special emphasis should be placed on efforts to persuade the Germans to improve the condition of Jews and other similar groups within occupied

territories. Accordingly, you are requested to do everything possible to support the proposals being made to Intercross. If at any time you believe that the Swiss Government would be willing to make similar approaches to the Germans or otherwise assist in the program outlined herein, you are authorized informally to make a request for such action to the Swiss on behalf of this Government.

* * * * *

Attached hereto for appropriate clearance and prompt transmission is a redraft of the War Refugee Board's cable to the International Committee of Red Cross which was referred to in my memoranda of March 23, April 11 and 12, 1944. The redraft attached hereto contains one new sentence which appears at the end of the first paragraph. In all other respects the cable is exactly as heretofore submitted to you.

I have discussed the cable with FEA and have obtained their oral clearance. FEA will, however, inform the London blockade authorities that this cable is being sent by this Government to the International Red Cross.

April 26, 1944
11:05 a.m.

CABLE TO AMBASSADOR WILSON FOR ACKERMANN, ALGIERS, FROM
WAR REFUGEE BOARD

Please refer your No. 1337 of April 22.

We are exploring all possibilities in connection with the problem of evacuation from Yugoslavia and will keep you advised of any developments here. Admiral Land is requesting Kalloch to explore with you the shipping problems involved.

We are convinced of importance of matters discussed by you with Hirschmann and will do all possible to carry out your suggestions. The efforts of you and Saxon in this regard are greatly appreciated.

This is WRB Cable to Algiers No. 6.

April 26, 1944

2:40 P.M.

JBF:bbk - 4/26/44

CABLE TO WINANS, LONDON, FOR RIEFLER

Information available to the War Refugee Board indicates that Switzerland would be in a position to receive larger numbers of children and presumably of adult refugees from enemy oppression if facilities for additional imports of clothing and feedstuffs were granted. In view of this Government's policy to use every available means consistent with the successful prosecution of the war to bring about the rescue of the victims of enemy oppression in imminent danger of death, you should undertake to secure the prompt concurrence of appropriate British authorities so that definitive assurances can be given to Switzerland and other neutral countries contiguous to enemy-held territory that additional food and clothing will be allowed through the blockade, subject to appropriate safeguards, in amounts sufficient to meet increased needs by reason of their reception of refugees. It is appreciated that certain general assurances have already been given in certain instances. However, it is our desire to give definitive assurances to all the contiguous countries. Please keep the Department informed of developments.

April 26, 1944

4:05 p.m.

JWPehle

LSLesser:lab 4/25/44

JEDuBois

RCC-687

PLAIN

London

Dated April 26, 1944

Rec'd 11:43 a.m., 27th.

Secretary of State

Washington

3449, Twenty-sixth

FOR EMERSON FROM KULLMANN

Following is text of American Embassy letter dated March 9th to IGC (Reference Department's 3131, 19th):

"I am glad to inform you that it is the view of the Department of State that the choice of a final destination for refugees accommodated at the refugee center in North Africa should fall within the sphere of the Intergovernmental Committee, and that it is suggested that the committee examine this question.

It is believed that this is also the view of the Foreign office, which I am informing of the present communication to you. It is the desire of the Department of State that the referring of this matter to the Intergovernmental Committee be in association with the Foreign Office".

WIMANT

RR

CABLE TO AMBASSADOR WINANT, LONDON, FROM THE WAR REFUGEE BOARD

Please refer your No. 3233 of April 20 with respect to use of Swedish ship for refugee evacuation purposes. Your prompt action in this matter is greatly appreciated.

As soon as a favorable reply is received from the British, please take up the matter with the Swedes on the basis indicated in your cable. The choice of the vessel to be diverted may be left to the Swedes although it should be suggested that the largest vessel readily available should be used. The Swedes should be asked to request German safe conduct. If you deem it desirable we will ask Ambassador Harriman to obtain Russian safe conduct or you may request him directly to do so. You are authorized to advise the Swedes that necessary financial arrangements for the use of the vessel will be made by the War Refugee Board.

Kindly advise us of such further action as should be taken from Washington in order to make available a Swedish vessel at the earliest possible moment.

cc*****

April 26, 1944

10:40 A.M.

JBF:bbk - 4/26/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Tegucigalpa
TO: Secretary of State, Washington
DATED: April 26, 1944
NUMBER: 127

SECRET

This morning the matters contained in the Department's A-77 of April 20, received last evening, were discussed by me with the Minister for Foreign Affairs. Complete success on all points. I was given by the Minister two signed notes relating respectively to exchange negotiations and to the material at top of page three of the airgram which is under reference. Later today we will cable translations.

Inquiries from the Spanish Minister concerning validity of the passports have not been received by the Ministry for Foreign Affairs and such inquiries as may be received later will be ignored by him.

FAUST

PARAPHRASE OF TELEGRAM RECEIVED

FROM : American Embassy, Tegucigalpa
TO : Secretary of State, Washington
DATED ; April 26, 1944
NUMBER : 128

SECRET

Given below is the substance of note No. 1647 signed by Silverio Lainez which the Minister of Foreign Affairs handed to me this morning (see my cable No. 127).

The idea that an exchange of German nationals for persons in Europe who are nationals of Honduras or who have documents as such be arranged with Germany through appropriate means by the United States is approved by the Government of Honduras. Legitimate citizens of Honduras, will have priority over all others in these negotiations. You should note that the Honduran Government assumes no obligation to admit persons who are not legitimate Hondurans into its territory, even temporarily. Please accept, etc. There follows another cable.

FAUST

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Tegucigalpa
TO: Secretary of State, Washington
DATED: April 26, 1944
NUMBER: 129

SECRET

You are requested to refer to my cables of today's date Nos. 127 and 128.

Given below is the substance of note No. 1646 signed by Silverio Lainez which the Foreign Minister handed me this morning:

The illustrious Government of the United States is requested by the Honduran Government to transmit to the Swiss Government the following message:

The Swiss Government, in representation of Honduran interests before the German Government, is requested by the Government of Honduras to advise the Government of Germany that those persons possessing Honduran passports, or who accredit Honduran citizenship on the basis of consular documents, be safeguarded and that all the immunities of enemy nations in accordance with what is established in the Geneva Convention concerning treatment of prisoners of war or which has application by analogy, be accorded to those persons.

I take this opportunity, etc.

It is assumed that the Government of the United States will pay all cable costs since the Minister wrote this note at my suggestion, made in accordance with the Department's airgram of April 20, 1944 No. A-77.

FAUST

CORRECTION OF TELEGRAM RECEIVED

FROM: American Embassy, Tegucigalpa
TO: Secretary of State, Washington
DATED: April 26, 1944
NUMBER: 129

The following should be inserted in the fourth paragraph, line seven, after the word "immunities":
"privileges and rights accorded to civilian internees."

TEXT OF U.S. APPEAL TO HUNGARIANS TO AID HUNGARIAN JEWS

Following is the text of an appeal addressed to the Hungarian people Wednesday by a spokesman of the United States government:

People of Hungary: You are living under Nazi occupation. Although your rulers have long collaborated with the Nazis in the past, you are learning now at first hand what a Nazi regime means, what it has meant to millions of people in occupied Europe.

You are witnessing in the course of this occupation, one of the most terrible of Nazi devices in action. This is the familiar Nazi scapegoat device by which the Nazis hope to divide and conquer. In your country, the scapegoat has been made the Hungarian Jew. You are being told today that the Hungarian Jew is responsible for allied air attacks on your cities, which manufacture weapons for Germany. You are told this even though your puppet rulers are working frantically to contribute arms, transportation, and the blood of your men to the Nazi cause, converting your factories and your railroads into a target for Allied bombers.

Knowing this you can judge how insanely brutal is the Nazi puppet announcement that Hungary's Jews should be made to suffer for these attacks.

We know that many of you have already reacted against this Nazi brutality. We know because we read it in your own papers that Hungarians are walking publicly in the streets with Jews who wear the Nazi inspired Star of David; that your own primate, Cardinal Seredi has appealed to the Nazi authorities to spare the Jewish people; that Hungarians are aiding Jews to retain their property; that Hungarians continue to trade in Jewish stores. We know all of these things. We ask you, however, to go further. We ask you to remember the words of President Roosevelt:

"I ask every man everywhere under Nazi domination to show the world by his action that in his heart he does not share Hitler's insane criminal desires. Let him hide these pursued victims, help them to get over their borders and do what he can to save them from the Nazi hangman. I ask him also to keep watch and to record the evidence that will one day be used to convict the guilty."

These are the words of President Roosevelt, spoken on March 24th . . . they are addressed to the whole of Europe . . . To all people who wish to demonstrate that following an Allied victory they are fitted to take their place in a peaceful family of nations.

CABLE TO LISBON

To Minister Norveg from War Refugee Board.

Re your 1055. Eleanor Widen will accept appointment as secretarial assistant to Dexter at \$2,000 per annum plus \$7.00 per diem. We propose appointment as soon as possible and would appreciate your approval.

THIS IS WFB LISBON CABLE NO. 6

April 26, 1944

ll:lS P a.m.

WStewart:pdk 4/26/44

RCC-550

This telegram must be paraphrased before being communicated to anyone other than a Governmental agency. (SCOO)

Lisbon

Dated April 26, 1944

Rec'd 9:58 p.m.

Secretary of State

Washington

1261, April 26, 5 p.m.

WRB 8.

FOR WAR REFUGEE BOARD.

Reference WRB 7. Suggest delay Quaker project bringing French children temporarily to Portugal until decision made regarding negotiations concerning entrance and care possibly large numbers refugee Children Latter still pending and French project may possibly prevent it materializing.

NORWEB

WSB

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: April 26, 1944
NUMBER: 1442

SECRET

Reference is made herewith to the fourth sentence in the message for Dr. Wise quoted in your cable of April 18, 1944 No. 2444.

If possible, we would like to know who proposed to the Germans the principle of exchanging Jews who held Palestine certificates and the date and manner of the German Government's acceptance. In assessing the probability of success of such efforts as may be taken along these lines, the Department might be aided by such information.

HULL

RECT-394

PLAIN

Bern

Dated April 26, 1944

Rec'd 4:54 p.m.

Secretary of State,
Washington,

US URGENT,
2669, twenty-sixth,

Department's 1428, twenty-fifth, from War Refugee
Board,

McClelland took oath and completed forms 47 and
1041 today. Legation would appreciate telegraphic
instructions on following points:

One. May he draw Foreign Service pay adjustment
on salary and per diem?

Two. As other Legation officers now entitled to
eight dollars per diem, may he be paid at that rate or
is seven dollar rate to be maintained?

Three. Is he authorized approve vouchers for WEB
expenditures as authorized certifying officer?

Four. Is a monthly telegraphic statement of advances
for WEB expenditures from contingent desired?

HARRISON

WTD

CABLE TO AMBASSADOR STRINHAARDT, ANKARA, TURKEY FROM WAR REFUGEE BOARD

Please refer to your No. 712 of April 9 with respect to use of SS BARDALANDA for evacuation of refugees. As you were advised in our No. 333 of April 15, we requested Ambassador Winant in London again to take up this matter with the British and the Swedes. Ambassador Winant has now replied as follows:

QUOTE. In accordance with the request contained in the Department's No. 3005, April 15, we immediately sought consent of the British Government. The head of the Relief Section in MEW was simultaneously approached because of the urgency of the matter. Even though the reply of the British Government is not yet available, we find the opinion of the cited Section Head (W.A.Camps who in Greek relief matters is the most influential British official) is agreeable to diverting of a Swedish ship engaged in Greek relief, the ceice to be left to the Swedes though the BARDALAND seems likely and conditional on Russian and German naval and ~~air~~ air safe conducts; but to any approach made to Germany before the departure from the Baltic (scheduled for April 25 or 26) of the last of the three additional and two replacing Swedish ships approved by the Germans for the Greek relief fleet, Camps is emphatic that whatever anticipatory arrangements be made he would object strenuously.

Shall I guide my discussion with the Swedish Minister in the same sense, if this proves to be the line taken by the British when their reply is received? Valuable time may be saved by your advance instructions. UNQUOTE

We are today cabling Ambassador Winant instructing him to proceed with his negotiations for a Swedish vessel on the basis indicated by him as soon as a favorable reply is received from the British.

You will be advised of any further developments.

This is WEB Cable to Ankara No. 30

April 26, 1944
10:40 a.m.

JEF:bbk 4/26/44

CABLE TO AMBASSADOR STEINHARDT, ANKARA, TURKEY FROM WAR REFUGEE BOARD

Please refer to your No. 725 of April 23 with respect to safe conduct for SS TARI. Your action is approved. However, for your information, the Joint Distribution Committee here has advised us that Barlas of Jewish agency can probably arrange for coastal schooners to convey refugees from Iskenderun to Haifa if voyage of TARI were to terminate at Iskenderun. Accordingly it is suggested that you take this matter up at once with Barlas in order to see if he can arrange transportation of refugees from Iskenderun to Haifa. If this can be done it may be advisable to arrange with Turks and Intercross to change route of SS TARI in order that German safe conduct may be obtained promptly.

This is WRB Cable to Ankara No. 31.

April 26, 1944
2:40 P.M.

JBF:bbk - 4/26/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Ankara
TO: Secretary of State, Washington
DATED: April 26, 1944
NUMBER:758

SECRET

Following is substance of Ankara no. 471 from the Ambassador for the WRB.

This morning I have had a talk with the Apostolic Delegate concerning the German safe conduct for the SS TARI. I was assured by Monsignor Roncalli that a request that they make every effort to obtain the safe conduct would be telegraphed to the Vatican today.

STEINHARDT

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: AMCONSULATE GENERAL, ISTANBUL
DATED: April 26, 1944
NUMBER: 257

SECRET

War Refugee Board most appreciate your reports on conditions and refugee problems in Greece. Reference your despatch 2680, March 18, Board would welcome further development by you your suggestions for evacuation Greek Jews and non-Greek refugees with cooperation HAM and Allied escape services. Board believes it can arrange for funds and such additional assistance as may be necessary to permit escape from Greece victims of enemy oppression who are in imminent danger of death, regardless of their religion, nationality or stateless status. Please telegraph estimate amount required to initiate your proposals.

Your cooperation in this matter will be most appreciated.

Repeated to Ankara and MacVeigh at Cairo as Department's no. 373 and no. 953, respectively.

HULL

AGX-656

PLAIN

Moscow

Dated April 26, 1944

Rec'd 10:25 a.m., 27th

Secretary of State,

Washington.

1453, Twenty-sixth

Moscow papers for April 24 and 25 publish a Tass despatch from London reporting that about 30 Jewish soldiers who were accused of desertion from the Polish Army have been sentenced by a court martial composed of Polish officers to imprisonment of from one to three years. The accused complained of bad treatment and asserted that for that reason they came to London with the intention of leaving the Polish Army and joining the British Army. They refused to return to the Polish Army.

Repeated to London for Schoenfeld.

HAMILTON

HEP

PARAPHRASE OF TELEGRAM RECEIVED

209 ✓

FROM: The American Ambassador, Buenos Aires
TO: The Secretary of State, Washington
DATE: April 26, 1944
NO.: 1069

SECRET

Perlinger's position is shown to be very strong at the least by the steps which this Government has recently taken although there is no indication that the existing political impasse has definitely been broken. The return recently to strict movie censorship to bar films which according to the Municipal Director of Theaters and Public Spectacles injure the Axis countries' sensibilities, the expropriation last night of the interests of the Electric Bond and Share in Tucuman offering compensation well below the real value of the installations of the light company, the closing of VANGUARDIA and LA PRENSA, and the expropriation of the gas company in Buenos Aires which is owned by the British, are among the developments which the Embassy has in mind.

What reaction Peron can generate remains to be seen. For a week he has been out of circulation allegedly with grippe and therefore has not been able, supposedly, to exercise his influence during his absence to block any of the above measures. On the indications Peron has given during the past few weeks of his wish to bring Argentina closer to the United States is based the Embassy's feeling that he is not in accord with such measures. Since things are seldom what they seem under the present regime this feeling, of course, may be mistaken but the conclusion is the same in any case: A reorientation of the anti-American policy of this Government and the possibility of constructive changes in the Cabinet are diminishing. That we are engaged in an endurance test with a regime which appears to be confident it can hold out longer than the united front of the nations refusing to maintain normal relations with is the situation which must be faced by us.

This message repeated to Lima, Montevideo, Rio, and Santiago.

ARMOUR

DCR:MPL
5/1/44

ef:copy
5-3-44

MRE-327

PLAIN

London

Dated April 26, 1944

Rec'd 3:14 p.m.

Secretary of State

Washington

3421, Twenty-sixth

FOR THE SECRETARIES OF STATE AND TREASURY FROM CASADAY

Embassy's 3252, April 20, 7 p.m. and 3253, April 20,

7 p.m.

SECTION ONE;

As perviously indicated the Chancellor of the Exchequer announced in the House on Friday that a joint statement of principles on international postwar currency would be published as a White Paper the following day. The Chancellor made clear that the statement is the result of study at the expert level and that the governments concerned are in no way committed. He stated that a debate would be arranged at the first convenient opportunity. The Chancellor also asked the indulgence of the House for the unusual procedure of issuing a White Paper on a non-sitting day and stated that this course was made inevitable by "the Congressional time-table in the United States".

Discussion

-2- #3421, Twenty-sixth, From London

Discussion was limited (which may be for the reason stated later in the press that the announcement took the House by surprise and few members were present) but the questions put by members showed concern with two main points; (A) Whether the interests of the dominions had been fully taken into account; and (B) the degree to which the British Government is morally if not legally committed to the statement of principles. On both points the Chancellor asked members to defer discussion until the White Paper and its explanatory foreword became available. The following question and answer, however, are of interest;

"Sir Irving Albery: When the moment comes when these proposals can be discussed will the House be in possession of any information as to how they are considered by British Ministers?"

Sir John Anderson: I think so, yes."

SECTION TWO:

In the published White Paper there is a lengthy explanatory foreword by the United Kingdom experts setting forth "some of the more important respects in which the joint statement by experts on the establishment of an international monetary fund...differs from or resembles, the proposals for an international clearing union published as CMD. 6437".

Some

-3- #3421, Twenty-sixth, From London

SOME of the principal points contained in this explanatory note are:

1. While under the clearing union member countries might have been said to bank with the union, under the international monetary fund the fund may be said to bank with the member countries.

2. The foregoing fact makes unnecessary the creation of a new international monetary unit, either bancor or unitas. It is explicitly stated, however, that under the present scheme "precisely the same functions" can be performed as could have been under the clearing union.

3. Just, as under the clearing union, only central banks of member countries could have engaged in transactions with the union, so, under the international monetary fund, the fund can engage in transactions only with the central banks or monetary authorities of member countries and is not free to enter the market or deal with other banks or persons.

4. The aggregate facilities guaranteed by the initial subscriptions to the fund are smaller than were proposed for the clearing union but they are substantial and can be increased if necessary by general agreement. In this connection it is pointed out that the facilities of the fund are not intended to provide for relief or reconstruction

not to

-4- #3421, Twenty-sixth, From London

nor to cover indebtedness arising out of the war.

5. The clearing union proposal was criticised on the ground that it made insufficient provision for elasticity of exchange rates and for alteration of rates initially established. The prefatory note explains in detail the provisions of the international monetary fund designed to allow desirable elasticity and to preserve the sovereign rights of member countries in altering the exchange values of their respective currencies under specified circumstances.

6. Both the clearing union proposal and the monetary fund envisaged an eventual free interconvertibility of all national currencies on the basis of rates established for the time being but under the monetary fund it is made clear that a member's obligation in this respect applies only to transactions of a current account nature.

7. The clearing union proposals to prevent any member from drawing on its facilities too rapidly or too freely when the member's own resources are adequate are worked out more fully in the monetary fund proposal "but without difference of intention".

8. The clearing union proposals to put some responsibility on creditor as well as debtor countries for maintaining stability have been replaced in the monetary fund proposal

-5- #3421, Twenty-sixth, from London.

proposal "by a different, but perhaps more far-reaching provision with the same object in view". This is followed by a detailed explanation of Section VI of the present proposal.

9. Section X of the joint statement goes further than the clearing union proposals in attempting to provide for the transitional period following the close of hostilities. These provisions are explained in considerable detail.

10. An important matter left over for further discussion at a later stage is that of the management of the new institution.

SECTION THREE:

All national newspapers on April 22 devoted prominent news and editorial space to the Chancellor's announcement and publication of joint statement of principles. Discussion continued in some papers April 24 and a few Sunday papers, April 23, had brief descriptive accounts.

FINANCIAL TIMES of April 22 and FINANCIAL NEWS of April 24 carried full text of White Paper. In general press reaction was distinctly favorable although there was some disposition to sound a note of caution and to view practical

-6- #3421, Twenty-sixth, from London.

practical success of plan as dependent on United States trade and tariff policy and in particular on United States success in maintaining domestic prosperity and full employment. Some of those taking this latter view warned that Britain should not abandon close relations with the Empire nor flout any opportunity to maintain cordial relations with other countries on a bilateral or regional basis.

A few papers, notably the tabloid DAILY MIRROR and the Beaverbrook DAILY EXPRESS, depicted the joint statement as tantamount to a return to gold. The former (April 22) headlined prominently: "One hundred experts want world back to gold". The news article also contains the statement, carried likewise by some other popular papers, that, "The report was regarded in Washington as an American victory over British proposals to relegate gold to a minor role in post-war stabilization".

The DAILY EXPRESS of the same date opens its news account with the statement that, "Currency experts of the United Nations propose to put us and other countries on the long, weary road back to gold". These two papers have very large circulations, but their influence in a technical matter

-7- #3421, Twenty-sixth, from London.

matter of this nature may not be as great as that of the more sober publications with smaller circulations and should not, therefore, be overestimated.

The TIMES first leader of April 22 referring to the year-long discussions by the experts, stated that, "All concerned are to be congratulated upon their achievement; but the measure of that achievement must not be exaggerated...no government is in any way committed to the agreement yet.

The discussion which the White Paper expressly invites is the more necessary since no arrangement of the kind proposed could become really effective without the support of public opinion in all the countries concerned, and in particular of the British Parliament and of the United States Congress".

This editorial after stating that in general the structure proposed by the Americans has been followed, suggests with evident approval that "the change of name from 'stabilization fund' to 'monetary fund' is significant of the greater elasticity provided".

In this same connection the editorial asserts that "much as stability of exchange rates is desired, too high a price would be paid for it if it involved tying the

supply of

-8- #3421, Twenty-sixth, from London.

supply of currency to a rigid international standard, with the danger of being forced to contract industrial and business activities when the internal situation demands a policy of expansion. The joint statement will be closely scrutinized from this point of view. On a first examination it certainly appears that ample safeguards have been provided".

The TIMES editorial concludes with the following statement: "Much will depend upon the ultimate direction of the policy of the United States as a great creditor and exporting nation. It is not a question merely, or even primarily, of American tariffs. What matters most to the rest of the world is that the United States should enjoy a stable prosperity without any disturbing fall in the price level and without the alternate booms and slumps which spread havoc far outside the American boundaries and by themselves would suffice to wreck any international currency schemes".

The TIMES "City Notes" for April 22, after admitting that comment on the joint statement must be tentative at this early stage, states that from first impressions "While the plan has borrowed much of the form of the white
scheme

-9- #3421, Twenty-sixth, from London.

scheme it has retained a great deal of the essential substance of the Keynes proposals...referring to the possible necessity of rationing currencies in short supply and the consequent restriction of international trade". The columnist notes that the new compromise plan "gives the members of the fund thereby affected wide liberty of action - liberty, in fact...to institute or reinstate exchange control. If it wishes to avoid the development of such a situation, the onus will be on the creditor country to avoid an unmanageable disequilibrium in its relations with the "rest of the world". The remainder of this article is devoted to an explanation of the ways in which the present joint statement, as distinct from earlier versions of the British and American proposals, provides for greater elasticity of exchange rates.

The FINANCIAL TIMES editorial of April 22 states that the joint statement "illustrates the advantages of informed discussion of opposing theses" but points out that "its simplified lines indicate, however, that closer contact with differing ideas and with practical difficulties has brought conviction of the need to avoid too grandiose a conception and to pay due heed to national susceptibilities".

The remainder

-10- #3421, Twenty-sixth, from London.

The remainder of this editorial is devoted to a resume of the principal features of the joint statement. Stress is laid on the elasticity provided and the assertion is made that the plan "goes as far in the direction of the elasticity it must possess as is compatible with its primary function of restoring stability".

The FINANCIAL NEWS of April 22 also emphasizes the provisions for elasticity of exchange rates and adds that "it should be noted too that although the par value of currencies is to be expressed in gold - a provision doubtless designed to make the plan more acceptable to American opinion - this is purely an accounting device. It does not in fact link the volume of credit within member countries to the available supply of gold as would be the case under a gold standard". This editorial states: "The basic requirement of any exchange regime, from our point of view, is that it should never lead to a situation in which domestic monetary policy would have to be governed by concern for the balance of payments. There are two situations in particular in which it is imperative that our hands should not be tied by any currency commitments. The first would arise in the event of a major slump in the United States.

-11- #3421, Twenty-sixth, from London.

United States. The second would be the result of a rise in the British price level (at existing rates of exchange) above that in the rest of the world. The international monetary fund endeavours to provide safeguards to cope with either of these contingencies".

The MANCHESTER GUARDIAN editorial of April 22 points out that "gold is to play a far less oppressive part than was previously suggested" and states with emphatic approval: "Above all, a persistently over-exporting country will be compelled by the scheme to make its own contribution towards restoring the balance instead of expecting the debtor countries to bear the whole weight of adaptation. The provisions by which this distribution of burdens is achieved are naturally complex and must be well tested before one can be sure that they will be effective".

On the issue of the possible disadvantages of an international monetary scheme to Great Britain the GUARDIAN makes the following remarks: "Here is an inter-allied agreement on a highly controversial issue arrived at after a year of keen discussion which at times looked frankly hopeless. Parliament remains entirely free to reject it, but it might well be impressed by the fact that the alternative

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the alternative to this agreement is probably no agreement at all. That raises the question whether we really want to have what the original British plan described as 'a genuine organ of truly international government' or whether we should rather seek isolation in a narrower regional arrangement and cut adrift from the unpredictable tides of a world-wide trading system.

That is the decision which Parliament and government must take. It is an easy decision on the plane of rhetoric but there are grave issues to be considered on both sides. In joining a wide system of exchanges we must accept its rules, like all others, and to that extent we shall lose freedom of action. No one can predict what the trading position of this country in the world will be after the war, and we are undoubtedly taking risks if we become part of a relatively free and automatic international system. But that risk must be taken if we are to remain a trading nation. It must be taken if there is to be scope and hope for a steadily expanding world economy and a growing human control over the devastating tides of boom and slump. There may be safety in isolation but it will prove as short-lived in the commercial as in the political field.

The danger

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The danger lies in large fluctuations in the supply of dollars which might be caused in future as in the past by internal American booms and depressions. A strong case can be made out for protecting our domestic employment against the sudden impact of American slumps. Careful consideration suggests, however, that we cannot find such safety by cutting the dollar link and trusting to narrow regionalism. What we can do is to interpose a safety fuse. The new plan provides safeguards which at first glance look much stronger than any ever suggested before. If they stand up to public scrutiny the plan should be accepted".

The SUNDAY OBSERVER April 23 stresses the importance of the provisions for elasticity: "After our experience under the gold standard, the ordinary man must realise by now that external monetary policy is a matter which vitally concerns him, for all its seeming technicality. Some international monetary order (such as that outlined in the white Paper issued yesterday by the British Government) is obviously desirable...but too rigid an exchange regime places domestic policy at the mercy of the balance of payments. To be acceptable to this country the first requirement

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requirement of any international currency plan is that it should be consistent with full employment.

There is, therefore, one simple test of any currency plan. 'What happens if America gets into a slump? Does it mean that we shall be dragged into a slump as well?' It can be said at once that the international monetary fund now proposed by the United Nations' experts passes this test with flying colours".

Paul Einzig's column in the FINANCIAL NEWS April 24 is devoted largely to a criticism of the elasticity provisions in the joint statement. He fears that devaluation when needed may not be as easy to bring about to the required extent as the wording of the statement would make it appear. He finds it "regrettable that the experts did not elaborate a formula which would have more closely fixed the conditions under which consent to devaluations could not be withheld".

The Financial Editor of the MANCHESTER GUARDIAN April 24 makes the following comments on the subject of the elasticity provisions of the joint statement:
"Discussion in this country will start no doubt with a welcome for the flexibility of the new proposals

compared

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compared with either of the old ones. We shall have freedom to follow an expansive monetary and social policy at home even if that should raise our price-level or increase our import needs to the point of dislocating our external balance of payments. If the deficit looked like being temporary we should simply draw on our quota of the fund; if it looked like lasting a few years we might seek loans abroad; but if it appeared to be 'fundamental' we should be free to depreciate the pound. The fund management will not be allowed to criticise our domestic policy or to ask us to change it. That is a freedom on which we insist because we have in the past been hurt by deflation imposed for the sake of maintaining the external value of the pound. We are allergic to deflation and there is a danger that the British discussion might expect too much from this cure. If the pressure on our balance of payments should arise from a slump abroad or if both should arise from a common cause, a depreciation of the pound by 10 or 20 per cent which the plan would permit almost without obstacle might do little or nothing to increase our exports, whereas the full maintenance of domestic expansion would keep up our imports.

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imports. We should then quickly run through our quota and would presumably have to take domestic steps after all. In short, freedom to depreciate the currency can only be a buffer against the immediate impact of foreign pressure; it cannot be a substitute for economic policy.

All the new freedoms granted under the plan are in fact negative. We are free to maintain exchange control, free to do away with gold except as an accounting device, free to vary our exchange rate, and free to discriminate against the goods of any country which is declared an under-importer. Finally we are free to withdraw from the whole scheme at any time. These are the points on which Parliament and the press had expressed anxiety, especially after the publication of the second version of the white plan with its unreasonable rigidities. Gratitude is due to the British experts for obtaining understanding for these points. On the other hand, if the flexibility should be pressed any further the scheme might become so elastic as to be meaningless. What we all want to do is to lay down rules of the game so that world trade can flourish in peace. If we reserve too much freedom to disregard the rules whenever they become inconvenient others will

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others will equally disregard them just when we most need an international machinery to keep trade moving".

The FINANCIAL PRESS on April 24 reported a rise in the price of gold mining shares owing to the publication of the joint statement.

Most April 24 newspapers and some of the Sunday papers April 23 reported American comment on the monetary plan. In this connection several papers reported briefly the statement by Secretary Hull praising the accomplishment of the experts in producing the present plan and urging speedy action to implement it and other programs before the end of the war.

Copies of the British White Paper and of the more important press clippings will be forwarded by airmail.

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SECRET

COPY NO 11OPTEL No. 134

Information received up to 10 A.M. 26th April 1944.

1. NAVAL

In three encounters between our Coastal Forces and enemy ships in the Channel 23rd/24th, two German Destroyers damaged. Our casualties one Motor Torpedo Boat sunk as reported yesterday and ten killed, 4 wounded 17 missing. On 25th/26th one of H.M. Cruisers and four Destroyers attacked three German probable Destroyers off NORTHWEST BRITAIN. Preliminary report indicates one or more ships sunk. Eastern APPROACH to SPITHEAD closed owing to suspected mine-laying by aircraft early this morning.

Mediterranean One of H.M. Minesweepers damaged by mine but reached port in tow. On 24th, 30 to 40 enemy aircraft attacked NAPLES but no naval damage or casualties reported.

2. MILITARY

Italy U.S. Troops in bridgehead have reported several successful small attacks on German positions.

Burma In the ARAKAN our troops have made local advances South West and East of BUTHIDAUNG. On IMPHAL KOHIMA Road we have cleared a road block 12 miles North of IMPHAL. In KOHIMA area, Japanese activity resumed with heavy hand-to-hand fighting in town 23rd.

3. AIR OPERATIONS

Western Front 24th/25th KARLSRUHE. 2110 tons dropped about half H.E. and half incendiary. Moderate cloud made bombing difficult; reports somewhat conflicting but considered fair proportion of bombs fell on town starting good fires. Ground opposition slight, two German aircraft claimed destroyed.

Munich 681 tons dropped nearly all incendiary. Markers accurate and bombing well concentrated on them. Successful attack, subsequent reconnaissance reported very large fires. Ground defenses heavy with numerous searchlights but practically no fighters.

25th 2736 Bomber and Fighter sorties flown. Fortresses and Liberators dropped 450 tons on three airfields in Eastern France under generally cloudy conditions, 60 tons in MANNHEIM area and 80 on military constructions NORTHERN FRANCE. Enemy casualties reported:

9 destroyed in the air and 32:7:42 on the ground.

Ours: 7 bombers, 7 fighters.

Medium and fighter bombers attacked military constructions - 230 tons and Coastal Defences - 350 tons in NORTHWEST FRANCE and 40 tons on airfields in BELGIUM. Three aircraft missing.

25th/26th 61 aircraft despatched on various minor tasks. About 135 German aircraft operated in two phases over and off South Coast between between PORTSMOUTH and NEWHAVEN. Enemy casualties unconfirmed 4:1:1 Bombs fell chiefly in PORTSMOUTH and CHICHESTER areas. At PORTSMOUTH power station damaged two fatal casualties, at CHICHESTER residential damage five fatal casualties.

Italy 23rd - Total 478 Bombers and fighter-bombers attacked communications and supply dumps in Central Sector. 25th. Allied aircraft dropped 259 tons on aircraft factory TURIN and effectively bombed goods yards at FERRARA. Enemy casualties reported 14:4:1, ours 17 aircraft missing.

Rumania 24th. Escorted liberators dropped 390 tons goods yards BUCHAREST with excellent results; Fortresses and Liberators dropped 703 tons on similar objectives PLOESTI results also good, much damage to railway facilities and rolling stock, two large oil fires and one other fire in goods yards, four large oil fires in two refineries. Enemy casualties reported 31:12:6. Ours bombers 8, Fighters 1.

Yugoslavia 24th. Fortresses dropped 50 tons on an aircraft factory BELGRADE.

REFUGEE INFORMATION

SECRET

SECRET

April 27, 1944
9:54 a.m.

Operator: Go ahead.

HMJr: Yes.

Mrs. Herbert
Lehman: Hello.

HMJr: Hello, Edith.

L: Henry, I'm taking you at your word

HMJr: Right.

L: because we have not been able, so far, to
get anything. They said they are still trying,
but I am so afraid it means finding ourselves
without anything.

HMJr: Right.

L: Now, Herb would like to have a drawing room if
possible, on the one o'clock -- on the one-thirty
train, tomorrow.

HMJr: One-thirty?

L: Yeah, but failing that, the two-thirty.

HMJr: Ah -- either one-thirty or two-thirty.

L: Yes, preferably the one-thirty, so he doesn't
have to wait around so long, you see?

HMJr: Right. And -- they can reach you at "820"?

L: They can reach us at -- well, I think maybe it
would be better to reach us at the hospital,
because Mr. Frankfurt -- no, I think if they
reach us at "820", that's safer.

HMJr: All right, Edith. I'm

L: And -- and, Henry

HMJr: Yes.

L: had we better do something about the seats
besides the drawing room?

- 2 -

HMJr: How many seats do you want?

L: Ah -- if -- we'll have to have three seats besides the drawing room.

HMJr: Okay.

L: All right?

HMJr: We'll take it -- I'll take -- we'll do the whole thing.

L: Oh, well, thanks ever so much, and you'll let us know?

HMJr: We'll let you know. Now, are you doing it besides?

L: Well, I tell you -- you see, he's put an order in. Now, whatever you think.

HMJr: That's all right, but you'll hear directly from Mr. FitzGerald in my office.

L: From Mr. FitzGerald. If, in the meantime, they call us from the railroad company, I'll let you know right away.

HMJr: Yeah, if you don't mind letting Mr. FitzGerald know.

L: Mr. FitzGerald -- at the same number -- 2626?

HMJr: That's right.

L: All right. Thanks ever so much, Henry.

HMJr: No.

L: Bye - bye.

April 27, 1944
10:05 a.m.

HMJr: Hello.

Operator: Go ahead.

HMJr: Hello.

Robert Doughton: All right.

HMJr: Henry talking.

D: All right, Henry. How are you?

HMJr: Good - I'm fine. Your - Bob, I thought you did a wonderful job on that simplification.

D: Well, I thank you. It has been most favorably received -- the newspapers are all commending it very highly -- complimenting -- even the editorials, you've seen.

HMJr: Yes.

D: Well, I'll tell you why we did it and how we did it.

HMJr: Yeah.

D: It's the first time that we've had complete, one hundred per cent cooperation among the Treasury, and your staff at the Bureau, and the George staff

HMJr: Wonderful!

D: and they worked together without the slightest lack of harmonious cooperation, and in perfect accord, and it -- our committee went along with them well. We had no semblance of any partisanship in that, and we got it out with work that proved -- unanimously approved by the membership of the Committee and all the staff. And I thought it was wonderful.

HMJr: Well

D: And I - and I certainly thank you and appreciate -- I've been aiming to call you or write you, but I've just been so busy, I haven't got to it.

- 2 -

HMJr: Well, our boys down here -- both Blough and Surrey -- have only got the most complimentary things to say about you and the staff up there.

D: Well, we - I'm glad they feel that way about it, and I'm glad that when little wrinkles that have existed in the past are smoothed out, and we're working together in such harmonious cooperation, for the accomplishment of result that we all -- objectives -- that we all have in mind.

HMJr: Well, I think it's a good thing for the country and a good thing for the Democratic Party.

D: Oh, there's not any doubt about that -- for both.

HMJr: Yeah.

D: Now, was there anything else?

HMJr: That's all.

D: Well, I -- hold you up just a minute.

HMJr: I've got all the time in the world.

D: Well, I thank you for -- I thank you for calling, and what you say -- appreciate it very much, and I was going to call you or write you. Now, here -- Mr. Bell has written me a letter about increasing the debt limit, you know?

HMJr: Yeah.

D: Well, we've got -- some of our boys didn't want to take that up 'til we got through with this tax bill. I wanted to have a hearing on it this week one day, but Mr. Cooper and some of them are a little tired and wanted to get rid of this. Now, I've got my plans set this way, Henry:

HMJr: Yes.

D: that Monday a week, the eighth

HMJr: Yeah.

D: I'll ask Mr. Bell, and anybody from the Treasury that wants to come up on the debt limit -- we'll have one day's hearing on it.

- 3 -

HMJr: Fine.

D: And I've seen Senator George and he says that he can put through over there -- if we sent it -- in one day.

HMJr: Wonderful!

D: Now, Monday a week is the eighth -- the eighth is Monday a week, and I think we can finish it up -- ah -- the week beginning the Monday of the eighth.

HMJr: Well, that's -- that's

D: In both houses, and I think that will give you about a month before you begin your bond sale

HMJr: That's right.

D: on the twelfth of June.

HMJr: That's right.

D: So we're working to get it out of the way and in good shape for you by that time.

HMJr: Well, Mr. Bell will be up there with bells on.

D: Well, you can tell him -- I'm going to call him -- I wrote him yesterday, and I'm going to call him this morning and see if that's satisfactory.

HMJr: Well, he's sitting here now. Just a moment, I'll ask him.

D: Yeah.

HMJr: Just a minute. (Pause) Mr. Bell says that he would be glad to come up on the eighth.

D: And I think -- tell him I think we can put it through both houses that -- that week, because I looked -- I'll speak to the leadership -- Rayburn, the Speaker, and the Majority Leader, so as to give us that week as soon as we can get the hand to get it through the House by about the ninth or tenth....

HMJr: Yeah.

- 4 -

D: and then go right over to the Senate, and they say they can handle it in about a week, I think we will finish up, tell him, that week. Ask him if that will be all right.

HMJr: I'm sure that he'll be satisfied. I'm sure.

D: That'll be fine. And thank you and him both very much.

HMJr: Righto.

D: Good-bye.

HMJr: God bless you.

D: You the same. Thank you. Good-bye.

April 27, 1944
10:11 a.m.

HMJr: Hello.

Sen. Walter George: Hello.

HMJr: Walter George?

G: Yes, sir - yes, sir.

HMJr: How are you?

G: Fine, Henry. How are you?

HMJr: Fine. Walter, I've just been talking to Robert Doughton, and he's been getting along fine on this simplification.

G: Yes. I had a talk with him yesterday.

HMJr: And, he said that the Congressional staff and ours never got along better than they did on this.

G: He told me so.

HMJr: And, as I understand, he thinks he's going to pass it on the fifth, I believe.

G: Yes.

HMJr: Now, I just wondered what we down here could do to be helpful to you.

G: Well, as soon as it is passed, why, I will want you all to come down and talk it over with us

HMJr: Fine.

G: and let us have an understanding of it -- possibly the very next day after it's passed.

HMJr: Well, will you give me a little ring?

G: Oh, yes, I'll give you a ring.

HMJr: This is being handled here for me by Blough and Surrey.

- 2 -

G: Well, I'll be glad to give you a ring.

HMJr: If you'll do that, I'll appreciate it.

G: All right.

HMJr: And, then he told you about the debt-limit bill?

G: He did, yes, and I saw a little flare-up in the House. Some of them thought that we didn't need to raise that much -- raise the limit that high at the present moment.

HMJr: Well, Danny Bell is watching that for me, so if there's anything we can help on that, if you'd let either Bell or me know.

G: I'll let you know.

HMJr: Thank you.

G: I don't think we'll have any trouble in the Senate.

HMJr: Thank you. We missed you the other day.

G: Yes. I was sorry I couldn't be here, but

HMJr: And

G: I couldn't very well get back.

HMJr: But if you had the opportunity, I'd like Mr. White to call on you and explain the thing to you.

G: I'll be glad to talk with him, Henry.

HMJr: Do you want to set any time now?

G: Well, I can't this morning.

HMJr: Well, any time that you're ready, if you'd let Mr. White know, he'd be glad to call on you and go over it with you at your convenience.

G: Fine -- fine.

HMJr: Thank you.

- 3 -

G: All right.

HMJr: Good-bye.

G: Good-bye.

~~W~~

April 27, 1944

MEMORANDUM FOR THE SECRETARY

From: Mr. Blough

Subject: Chairman Doughton's attitude toward Treasury staff.

(For your information; no action required)

While I believe that Chairman Doughton is correct in saying that the Treasury staffs and Joint Committee staff have worked in closer harmony on the Tax Simplification Bill than on previous legislation, I think this is due in large part to the fact that no policy issue was at stake between the Treasury and Congress. If and when an important policy issue again arises, Chairman Doughton's complaints about lack of cooperation will almost certainly be renewed. He does not seem to understand that in the nature of the case the staffs cannot reach an agreement when their superiors are not in agreement on basic policy.

RB

April 27, 1944
10:18 a.m.

Operator: He'll be right on.

HMJr: Hello.

Senate Operator: Hello.

HMJr: Hello.

Senate Operator: Just a minute, sir.

Henry A. Wallace: Hello.

HMJr: Hello, Henry.

W: Yes -- I was talking to Tom Connally the other night

HMJr: Yes.

W: and he was spouting fire and brimstone against Argentina.

HMJr: He was?

W: And I told him that the reason why things hadn't moved faster was because of his good friend from Texas, Marvin Jones.

HMJr: Yes. (Pause) Hello?

W: Yeah.

HMJr: And what did he have to say to that?

W: Well -- and I explained the situation a little bit, and he thought the American people ought to be willing to tighten their belts and do the job.

HMJr: Yeah. You didn't suggest that he might, as Chairman of the Committee on Foreign Affairs, put a little heat on the Secretary of State?

W: No, he didn't suggest that, but it does seem to me that it would be a good thing if you'd have a little talk with Tom and tell him the story.

- 2 -

HMJr: I see. Is that -- is that what you had in mind?

W: That's what I had in mind.

HMJr: I see. Well - ah - I'll talk it over with our boys, and - we've been

W: I couldn't talk absolutely plainly to him, because Mrs. Hull was sitting between me and him. (Laughs)

HMJr: (Laughs) A little embarrassing, huh?

W: Oh, no - 'no. Mrs. Hull was talking just as strongly against Argentina as he was. (Laughs)

HMJr: Oh, really?

W: (Laughs) Yeah.

HMJr: Really. Well, I'll check up. Thanks very much for the tip.

W: All right, Henry.

HMJr: Hope to see you soon, Henry.

W: Fine. Where are you?

HMJr: I'm here in my office.

W: I -- is - I noticed in the papers the statement on the -- this International bank, and is that coming all right?

HMJr: That's coming along nicely.

W: Well, I just want to say that I think that is one of the most important things of all.

HMJr: Good. Good.

W: And if we get it the way White had in mind, I think it's going to be of enormous significance.

HMJr: Well, ah -- we're all right now. We're -- we've sent a message last night to the President saying that we'd like to call this conference, and Hull is very enthusiastic for this.

- 3 -

W: I thought his statement was splendid.

HMJr: Yeah -- yeah.

W: And that statement will be very helpful.

HMJr: Yeah

W: All

HMJr: well, I'm glad that you feel kindly disposed to it.

W: Yeah. All right, Henry.

HMJr: Thank you.

W: Good-bye.

April 27, 1944
10:25 a.m.

HMJr: Secretary speaking.

Clifton
Mack:

Yes, sir.

HMJr: Mr. Dan Bell said that you've made a statement that you've billed the Russian Government for a lot of things that - that they'd never paid.

M: Ah - no, not the Russian Government; we do buy a lot of things.

HMJr: No, he said that you've billed the Russian Government for a half of dozen things and they've never paid us for them.

M: Oh, no!

HMJr: Well, now, Bell's right here. He can talk to you, himself. (Aside: You talk to him) He says you told Al Hall that you buy things for the Russians and you bill them, and they never pay us.

M: Ah - no. That certainly is misunderstood, because -- ah -- what we said was this: that we do two kinds of buying. We buy under the Lend-Lease Act, and we also buy for certain of the countries -- for certain countries on a cash-reimbursable basis. And the illustration that we gave, I recall specifically, was the Belgian-Congo.

HMJr: Well, listen, I'm not interested in anything -- have you ever bought anything for the Russians that the Russians should pay us for and they haven't paid us?

M: There isn't a single thing that we have bought for the Russians, that I know of, that was - that was other than under the Lend-Lease Act. And

HMJr: Well

M: and that, of course, was

HMJr: Well, please run this thing down, because I don't want statements made in the Treasury,

- 2 -

HMJr: (cont'd) or twisted or misunderstood, that the Soviet Union doesn't meet its bills.

M: Oh, Lord, of course not!

HMJr: Well, now, please get after Al Hall and have him talk to Mr. Bell and let's get this thing straightened out.

M: Well, surely.

HMJr: Because this is too important to have rumors like this floating around.

M: Why, of course. Of course. I'm - I'm sure that it's misunderstood.

HMJr: Well, let's see that it's straightened out.

M: Why, sure enough.

HMJr: If they have -- if there's any case where they haven't met their bill, I want to know it.

M: There certainly isn't, so far as I know. There wouldn't be any occasion for it, because we don't do any of that kind of buying for them.

HMJr: Okay. Well, let's get it straight.

M: Very good.

HMJr: Thank you.

April 27, 1944
12:15 p.m.

FREEZING OF ARGENTINA

Present: Mr. Luxford
Mrs. Klotz

H.M.JR: Now, listen, let me talk at you a minute, see? If you know what I have in my mind, and if you agree with me, I think we can approach this thing differently.

What I thought was this, from a remark that you dropped; instead of my writing a formal letter to Mr. Hull, I was thinking of calling him up on the phone and saying, "Look, Cordell, this thing about the Argentine, as far as the Treasury is concerned, has been kicking around here for too long. I want to come over and see you. I have a document. You may not want me to do it this way, but at least I want to be there and let you know how we feel, because we feel that we have waited too long."

MR. LUXFORD: That is right.

H.M.JR: "Now you know, Cordell, the record as well as I do, but I have gotten to the point where I cannot sit here any longer and not make a formal recommendation on economic grounds - that the Treasury Department feels the U.S. Government should freeze." I have got to do it. "You have got to tell me why, on political grounds. But I, on economic grounds, have got to tell you that we think you are going to have to freeze."

Now, that was the approach. I have thought a lot about this since I have talked to you, see? I don't want to get you rushing around - if he says, "Well, Mr. Morgenthau, if you had told me this, I could have saved time."

- 2 -

And I also don't want to wait any longer on account of Harry, as you and I agreed. I think that is far enough along so that we are all right.

Now, where do you and I differ as to method of approach?

MR. LUXFORD: We don't differ at all. This letter takes, I believe, that same line. (Hands the Secretary attached letter to Mr. Hull) It is being retyped again.

H.M.JR: That is all right. Let me just get the gist.

We don't want to go back to the first conversation with Acheson in January?

MR. LUXFORD: I include that later on by saying that Hull, at that time, was in agreement to freeze.

H.M.JR: I don't understand - "The continued pro-Axis actions and policies of the present Argentine Government indicate, in my opinion, the futility of expecting that Argentina will itself plug the gap she has made in our economic defenses." I don't understand that.

MR. LUXFORD: In other words, the State Department has continually said, "You have got to get Argentina to cooperate with us. They have got to take action. They should break with the Axis and impose their own controls."

H.M.JR: I still don't see this, "... will itself plug the gap she has made." I don't like that. Can you rephrase it?

MR. LUXFORD: Yes, I will rephrase it.

H.M.JR: "I suggest that we should now recognize Spain, Portugal"--

- 3 -

MR. LUXFORD: That has been reworded to make it a little clearer. The thought is that we should recognize that at best Argentina is in the same category as Spain, Portugal, Sweden, and Switzerland, and justifies the same action.

H.M.JR: I see. Well, I would suggest that the position of Argentina - I don't know how you put it, but put it this way: "Vis-a-vis us is much worse than the position of Spain, Portugal, and Sweden."

MR. LUXFORD: We will add that, too.

H.M.JR: "...whom we have already, a long time ago, frozen."

MR. LUXFORD: All right.

H.M.JR: Again this, "A break in relations which the Argentine Government announced"- a break in relations with whom?

MR. LUXFORD: The Axis.

H.M.JR: She never went through with it.

MR. LUXFORD: No, they haven't interned the German Ambassador, and so forth, but they went through the technical form of breaking relations with the Axis. I will confirm that, but I am certain of it.

H.M.JR: That whole discussion as to what that man said and what he didn't say, and then he subsequently explained that his statement to the Colonel had been misquoted. Do you remember, I sent for a copy?

MR. LUXFORD: Yes, now what Ramirez said was that he had been accused of breaking relations as a result of American pressure. He wanted to make it clear that it was not on that ground, but because of the German spies in Argentina.

- 4 -

H.M.JR: You look that up.

MR. LUXFORD: That is right. I will confirm it.

H.M.JR: I think you are arguing too much. I think all of this stuff is too much argument. Make it much shorter.

MR. LUXFORD: I think on what we will recite as to what they are doing - I think just say, "You know as well as we do what they are doing in this field."

H.M.JR: "You know better what is going on."

"Since I started this discussion on such-and-such a date with Mr. Stettinius" - I would go back to that date, January 4 or 5, I think.

MRS. KLOTZ: Don't want him to quote any of these things?

H.M.JR: Not up to now. I think it is too much. There are too many things which we might slip up on, and we are on the political side. It gives them too much chance to argue.

My thought is simply to say, "Now look, Cordell, you know what is going on. Now, God damn it, let's freeze and quit talking about it."

MR. LUXFORD: I would go back to Stettinius' statement.

H.M.JR: The point is, I want to say firmly that the Secretary of the Treasury recommends that the Government of the United States freeze. "Now you, Cordell, tell me why we shouldn't," instead of my telling him why we should. That is the approach I would like to take. Just say, "I say you should freeze." Then say, "All right, you tell me why we shouldn't. I have been telling you right along I want to freeze. Now you tell me why we shouldn't. Let's stop this shadow boxing."

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MR. LUXFORD: All right. Do you know what his answer will be? He will throw those food reports on the table again.

H.M.JR: O.K.

MR. LUXFORD: But there is an answer to that, and that is we were prepared to freeze in January when the situation was worse than it is now, that we will fit our freezing in with their needs.

H.M.JR: And according to this morning's paper, our own wheat crop was either twelve or seventeen percent better than estimated before. Get George to give you those. It is either twelve or seventeen percent better than they figured.

You might inquire about the Canadian wheat crop, too. You see, these rains have just completely changed the situation.

In other words, I want to take a firm position, "Let's freeze"; and then put him on the defensive - "Why not?" And I think that the fact that Connally now--

MR. LUXFORD: All right. I think you can skip page two, then.

H.M.JR: All right.

MR. LUXFORD: And the top paragraph on page three.

H.M.JR: What do you think?

MRS. KLOTZ: I think you are absolutely right.

MR. LUXFORD: That was my original inclination.

H.M.JR: As of today?

MR. LUXFORD: No, before. And some of the boys thought we ought to keep rubbing their nose in it.

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H.M.JR: I would skip the first paragraph on page three and say, "I therefore think it is imperative that we freeze Argentine assets:" and so forth.

MR. LUXFORD: I will rephrase that to get your point in there. "I want to freeze, and you tell me why not."

H.M.JR: No, no. This paragraph is what I want to say. No, don't tip my hand. This paragraph (indicating) is the whole guts. And I don't know whether we have to bring Crowley in or not.

MR. LUXFORD: I would leave him out unless you particularly want him in. He is not going to help with State.

H.M.JR: No. What I thought I was going to do is call Leo up and say that I am going to take this position with Mr. Hull and "Can I count on your hundred percent backing? I want to know where you are."

MR. LUXFORD: He has told us before.

H.M.JR: I know, but I want to bring him up to date.

MR. LUXFORD: I might explain why you don't want to get in to Stettinius. You should start with where we agreed with him not to freeze and show why we have changed our mind at this point, or why they haven't lived up to their side of it and we have to change.

H.M.JR: I am going to try to move on this this week. I am going to ask to see Hull either Friday or Saturday morning.

MR. LUXFORD: I might tell you that Currie called White this morning about Sweden and Currie is going to try to get Treasury in, and to arrange for me and someone else from Treasury to get into that meeting on the Swedish issue.

H.M.JR: When is that?

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MR. LUXFORD: Tomorrow. I will keep you advised.

H.M.JR: That is all right.

MR. LUXFORD: Do you want me to wait while you call Crowley?

(The Secretary places a call to Mr. Crowley)

MR. LUXFORD: Did you hear the report of Pearson that Duggan was going to resign from State? I threw that out to Collado to get his reaction. He said there had been a lot of talk about that. He wasn't sure, but he indicated to me he would probably resign, too. He said, "The press has a lot of stories that I am resigning, too." He let that slip. A little later he told me that they are moving him completely out of the State Department Building and shoving him up on G Street. The policy boys are moving in and he is on his way out, as far as being in a position of strength in State.

He and Acheson both seem to be pretty bitter against Pasvolsky. He told me that Pasvolksy objected to this other technique that we were trying to do, and he says what Pasvolsky says is what Hull says. The way he talked to Acheson that night suggested that they were both worried about him.

Towson told me the other day that State is kicking around on General Strong.

H.M.JR: Well, I had a formal communication with General Marshall that they wanted it.

(The Secretary holds a telephone conversation with Mr. Crowley, as follows:)

April 27, 1944
12:30 p.m.

HMJr: Hello.

Operator: Mr. Crowley.

HMJr: Hello.

Leo Crowley: Hello, how are you?

HMJr: I'm all right. How are you?

Crowley: Fine.

HMJr: Leo, I thought in the next day or two that I might ask to see Hull and tell him that the Treasury is going to rec... is recommending that they freeze the assets of the Argentine, and just make a flat statement, see?

Crowley: Yeah.

HMJr: And then let him say why we shouldn't do it.

Crowley: I think that would be all right. One thing that came up, you know, confidentially, on Spain, uh, he's in quite a row with them, and he took quite a positive stand, and England came back and said, well, they'd go it alone then.

HMJr: Who'd go it alone?

Crowley: England would. On this wolfram, you know, and on us sending oil in.

HMJr: Yeah.

Crowley: Hull said he was going to shut it off.

HMJr: Yes.

Crowley: Then England said, well, if that was true, why they needed materials from Spain so badly that they would send oil in themselves.

HMJr: Yeah.

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Crowley: Well, of course, that put us in the position that we were sending them stuff, through oil lend-lease, and if they were going to send oil into Spain, it put us in a very embarrassing position.

HMJr: What happened?

Crowley: Well, then I saw Hull this morning.

HMJr: Yeah.

Crowley: We had a meeting yesterday on lend-lease extension, and I asked him not to let it get out into the open until next Tuesday or Wednesday, but Hull is standing pat on the thing.

HMJr: I - you see - I'm not familiar - he's standing pat?

Crowley: Yes, and insisting that there be no oil shipments to Spain and that if England wants to make it, they are going to have to assume the responsibility for that themselves.

HMJr: Well, then, he's being good on this.

Crowley: That's right. Very good. And now I'm sure that he would be all right on the Argentine. He's in a good frame of mind right now, on all these neutrals.

HMJr: Well, I think that's wonderful. Now, I wish you'd be frank, when I go to see him, would you like to have me -- go with me, or not, or would you rather

Crowley: Be perfectly willing to go with you.

HMJr: You would?

Crowley: Sure.

HMJr: Because you've got quite a stake in this thing.

Crowley: Be perfectly willing; be glad to. You make the appointment, and I'll be glad to go with you.

HMJr: Well, then I'll ask if he'll see us. What I'm going to do is - I'm going to call up Acheson and sort of warn him first.

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Crowley: Yeah.

HMJr: Because Acheson has been very decent with us recently.

Crowley: That's fine, and I'll be very happy to go with you.

HMJr: Well, I'm--you say you have an appointment tomorrow?

Crowley: Well, I have it just on the Lend-Lease -in the Senate, that's all.

HMJr: With Hull?

Crowley: No. In these Foreign-Relations--in the Senate.

HMJr: Well, what time is that?

Crowley: Well, that'll be along about ten o'clock in the morning. I wouldn't be there more than an hour.

HMJr: Well, I'd better make it the first thing Saturday morning then.

Crowley: That's O.K.

HMJr: Will you be here?

Crowley: Yeah.

HMJr: Well then, I'll ask him whether he won't see us the first thing, and I thought, if you agree, we'd just take conservative action, and then have him say why they're not ready to do it.

Crowley: I'm sure he'll go along with us on the thing.

HMJr: You think so.

Crowley: Because he's in a very, very good frame of mind, and on Sweden, he's cooperated 100% with us.

HMJr: Has he?

Crowley: There's no difference of opinion between our staff and his on Spain or on Sweden.

HMJr: I thought from the little I've been hearing around that -- oh, some of the Navy people weren't at all satisfied with what he was doing on Sweden.

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Crowley: Well, he's - he's changed -- since he made that speech, he's been getting tougher and tougher all the time. You -- you won't know him now.

HMJr: Really?

Crowley: Oh, he just turned a complete somersault. As a matter of fact, you have to kind of hold him back a little bit now.

HMJr: Wonderful.

Crowley: But that's the frame of mind he's in.

HMJr: Well, then I'm - then I surely want to see him. And I'll - I'll let you know.

Crowley: Fine.

HMJr: Thank you.

Crowley: Thank you.

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MR. LUXFORD: Currie called White this morning and wanted us in this meeting so we could continue to fight this thing on Sweden.

H.M.JR: Maybe he doesn't know what Crowley is doing.

MR. LUXFORD: I think that we ought - perhaps I ought to go over and talk to Currie and bring him up to date on Argentina - with the lines we are taking on the thing - so Crowley will at least be familiar. He will know the arguments that are going to be thrown on the table against it.

H.M.JR: Yes, but I don't see how I could ask not to take Crowley with me.

MR. LUXFORD: I think it would be a good idea.

H.M.JR: One thing that isn't quite clear in my mind is how far you boys want to go.

MR. LUXFORD: My own attitude would be to tell them we will put freezing into effect and then agree with them on a program of administration. That is what we agreed to do in January. We are not going to die by cutting off all shipments now. We will wait until the applications begin to pour in. We don't want a general license, we will deal on a special license basis. We will wait until we get an application and then dog State to death.

(The Secretary holds a telephone conversation with Mr. Acheson, as follows:)

April 27, 1944
12:37 p.m.

HMJr: Hello.

Operator: Mr. Acheson.

HMJr: Hello.

Dean Acheson: Hello, Henry.

HMJr: Good morning.

A: How do you feel?

HMJr: Very good. Thank you.

A: Did you have a - a rest up at the farm?

HMJr: Yes, I did. I - I needed it badly.

A: Well, I'm glad you got it.

HMJr: Dean, I was thinking of asking Mr. Hull to let me come over there in the next day or two with Crowley, and we want to recommend that this -- we, the Treasury, freeze the Argentine assets. But I didn't want to call him up or ask for it without first talking to you.

A: Yes.

HMJr: Now, I don't know what's going on over there, but I've just gotten to a point where I don't feel that I'm living up to my responsibility if I don't make a firm recommendation.

A: Well, I haven't had a look at it for some time.

HMJr: Yeah.

A: We -- I sent you those papers

HMJr: I know.

A: you saw what the Board said about this.

HMJr: Yes. Well, I - I didn't

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A: The Chiefs-of-Staff have got them now

HMJr: I know.

A: and we're expecting a reply from them any day.

HMJr: Yeah. Well, as -- it's so -- as I say, I can go on for a long time, but

A: Yes.

HMJr: I just don't feel I'm living up to my responsibility, and I've arrived at the point where I want to recommend that we freeze -- ourselves, and if -- never mind what the English do. Let's hope they go along, but if they don't, well, we'd freeze anyway.

A: Now, if - if we do freeze, what - what kind of an administration would you have in mind?

HMJr: Well, we'd work it out, but we'd - we'd take up each case on its merits.

A: Well, I mean, what we'd have to have in mind, is whether we were going to permit commercial transactions or whether we were going to attempt to reduce them below what they are now. I suppose that on that you wouldn't have any change of policy.

HMJr: Well, the - the way we talked about it in January

A: Yeah.

HMJr: and we'd want to consult with you people, and have your advice as each case comes up.

A: You see, you've got -- you run into things like this business that we've been holding off now with Marvin Jones

HMJr: Well, ah

A: who wants to buy a tremendous amount of corn, because we have run out of corn.

HMJr: Well, Marvin

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- A: So
- HMJr: in public opinion, he can't -- he just -- I'd say is just a plain every-day farmer - citizen. He can't do it. He can't get away with it. You know the other day, the questions - the way they questioned us: was the Argentine - had they been consulted on this monetary thing, you know?
- A: Yes.
- HMJr: And then I noticed Miss Perkins up there said that they -- Argentine -- I don't think that the American public wants us to do business with them. That's the way I feel.
- A: No. The only thing on this is, that the -- according to Marvin, we're going to be out of corn, and
- HMJr: Yeah, well, of course
- A: in a short time, and the industrial, and the feeders are going to raise hell.
- HMJr: Well, if Marvin Jones will do what the Vice President is - has very positively recommended him to do, he can get along all right.
- A: Yeah.
- HMJr: The Vice President has made a very definite recommendation to Marvin.
- A: Yeah.
- HMJr: I don't know whether you're familiar with it.
- A: No, I'm not.
- HMJr: Well, the point is -- that they've already begun. I mean, I noticed today that they've dropped the price on hogs over 240 pounds.
- A: Yeah.
- HMJr: And the Vice President says that just now that there's too much stuff in the country, and instead of bringing in more stuff, reduce the amount of cattle and - and hogs.

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A: Yes.

HMJr: Until a new crop comes in, and he - I haven't studied it, but Wallace has, and in my presence, he made very definite recommendations to Jones.

A: Uh - huh.

HMJr: So

A: Well, all right. Let me

HMJr: You

A: let me inquire around and call you back.

HMJr: Will you? And then - a question on this administration, I'm going to ask for a Saturday morning appointment, you see, and then if - if you wanted to get together with me before that, I'd be very glad to, with your people.

A: Yes.

HMJr: I mean, if we wanted to have a trial run beforehand.

A: Ah - all right. Do you want to hear from me before you ask for it, or are you going to ask for it?

HMJr: No, if -- would you like to have me -- I'd be glad to wait.

A: Well, I - I think I might give you some idea of what has been happening the last few days, and whether this -- whether he would think that this was a good thing to talk about now, or whether it would upset him. But, at any rate, let - let me just make an inquiry and call you back.

HMJr: You'll call me back or what?

A: Yes. Henry, I - I talked with

HMJr: No, I - no, I'll -- you mean it will be some time today, won't it?

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A: Oh, yes. It'll - I'll try to do it before lunch, but I may not be able to get hold of Larry Duggan before lunch.

HMJr: Right.

A: And while you were away, I talked with Harry, and said that when you came back, I thought that it would be important for me to have a talk with you too

HMJr: Yes.

A: on -- there're are three things now which are bothering us here. One is: what should we do about these Dewey hearings which have been going on this week?

HMJr: Oh, yes.

A: Shall we leave that to you, and just stay out of it, or should we take any part in it -- what are you going to do and all of that -- that - that won't take very long, but I've - I've had a little talk with Sol, and - and I think we ought to

HMJr: Look, are you free for lunch tomorrow?

A: Ah - let me look at my book. I think so.
(Pause)

HMJr: Hello?

A: Ah - yes.

HMJr: Well, why don't you come over and I'll have Harry here, and Luxford, and is there anybody you'd like to bring with you?

A: Well, I might bring Pete if it's all right.

HMJr: Fine.

A: And, then the other two things

HMJr: I mean, then I'll look for you and Pete tomorrow for lunch, and we can talk about this or anything else that we have up.

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A: Yeah. The two other things

HMJr: Please.

A: one of them was reaching a settlement with these exiled neutrals on the troop-pay business.

HMJr: I'm not familiar with that.

A: Uh -- well, you talked with Stettinius about it. It's whether we should reimburse them for the currency which they give us and which we use for troop pay.

HMJr: Oh, my friend - Madame Queen of the Netherlands.

A: (Laughs)

HMJr: Is that it?

A: Well, I don't know that the Queen is in it.

HMJr: Well, I - I

A: But, it's the - the Netherlands, Belgium and Norway.

HMJr: Oh, wonderful! We'll have a good time.

A: (Laughs) But I - I

HMJr: That's wonderful!

A: I want very much to work out something on that for reasons which I'll tell you.

HMJr: Fine. I (Laughs) - I hope you have easier going on that than I'll have on the Argentine.

A: All right. Then the final thing

HMJr: Yeah.

A: is: should we have -- begin to look over the list of people that you would want to have on a delegation, if we sent out invitations Monday

HMJr: Yeah.

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A: you will immediately be under pressure from the press.

HMJr: That's right.

A: I think you ought to go over the Congressmen and see which ones you think are best.

HMJr: Fine.

A: Now, we want to recommend to you, that as soon as we find someone from the banking fraternity that you can put on

HMJr: Good.

A: and we'll undertake to soften any fellow down, and get him in shape, if we can, who is being recalcitrant about it, but I think that's going to be on your neck very soon.

HMJr: Well, we're -- anything else?

A: No, those three were the only three.

HMJr: Well, those three, and for hors d'oeuvre we'll have Argentina.

A: All right. That sounds as though I was going to have indigestion when I got through.

HMJr: (Laughs) No, well, then I'll give it to you as dessert.

A: (Laughs) What - what time? Do you want us to come to your office?

HMJr: Yeah. One o'clock.

A: One o'clock.

HMJr: And will you tell.....

A: I'll tell Pete.

HMJr: Thank you.

A: All right.

HMJr: And then I'll hear from you in the next couple of hours when I - about going ahead and asking Mr. Hull?

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A: Yes.

HMJr: For Saturday morning?

A: You bet.

HMJr: Thank you.

A: All right, Henry.

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H.M. JR: I couldn't say no on that.

MR. LUXFORD: I think that is perfectly all right. I was going to say, either that Hull would go along on Acheson's approval, because Acheson has very strong powers in this field of freezing. He has been the big block all the way through. Now, I think he was willing to go along on a freeze until you got to this Marvin Jones thing. Now, it may be we will just have to review that when it comes up. "You fellows haven't even allowed it so far." That is true. State hasn't allowed that purchase.

H.M. JR: Why don't I call up Marvin Jones and ask him, and tell him I am getting red hot on this thing?

MR. LUXFORD: Did you see the report he sent? It was a poor report - in fact, it was specious in the arguments he used.

H.M. JR: I want to check this thing. Is he thinking of buying corn?

MR. LUXFORD: I think that is true.

H.M. JR: Let me just tell Marvin I am on the verge of recommending definite freezing. Now, whether the English come along or not, I want to know his reaction.

MR. LUXFORD: I would make it clear to him that isn't the same as what we talked to him about last time.

H.M. JR: No.

MR. LUXFORD: We can always license it out if we have to.

H.M. JR: That isn't an economic blockade.

MR. LUXFORD: That is right.

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H.M.JR: That would simply mean that they could continue to do business independently of the United States.

MR. LUXFORD: I can give you what we agreed to in January with Acheson. It is a very good position. We agreed with Acheson that we would freeze and then we would deal on a day-to-day basis with the problems that came up with respect to Argentina.

Now, Acheson fought very bitterly for a general license on trade at that time. We were just as bitter against a general license. We told them that we would administer our control so that, in effect, there would be a general license, but there wouldn't be any public document of that kind. That would give us an opportunity to see what was going on each day, and we could stop transactions in consultation with State.

Our thought was we would begin to put the screws on little by little. We would say, "why do you do this?" And keep fighting and make ourselves annoying to State until we would get complete control.

H.M.JR: Yes. Under this thing we have now, he couldn't buy any corn from the Argentine, could he?

MR. LUXFORD: Without our approval.

H.M.JR: We wouldn't give it.

MR. LUXFORD: We would do everything we could to block it. In other words, I wouldn't ever let Acheson get me into a yes or no position on that. Say, "That depends on the facts at the time."

H.M.JR: Why should I stir up Marvin Jones?

MR. LUXFORD: I wouldn't.

H.M.JR: I think I had better leave him alone. If I am going to follow a position, it will be that I want to freeze. As each thing comes up--

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MR. LUXFORD: We will just scream at every item.

H.M.JR: We'll screen it.

I am going to say I think we should freeze. Now, what I do need is a list of the things on the economic front that we know they are doing to the Germans, and so forth, and so on, see?

MR. LUXFORD: The one I can give you for the President carries the whole picture. I will bring it up to date.

H.M.JR: Yes.

MR. LUXFORD: All right, fine. I take it I won't have that letter ready by two o'clock. No need of it now.

H.M.JR: No.

~~MR. LUXFORD:~~ MR. LUXFORD: Now, Joe O'Connell has talked to Bloom about the Dewey bill. In fact, we had auditors up there at the hearings. We have been in consultation each morning about it.

H.M.JR: Well, I will get too many people and I can't handle it. No. I am glad you told me, but that is a minor thing. I am not going to worry. This other thing he has got in mind - the Netherlands business--

MR. LUXFORD: That is what he is really burned up about.

H.M.JR: Do you know anything about the Netherlands business before I go into that?

MR. LUXFORD: You should have a little discussion with us before then on that point, because we know what the line is.

H.M.JR: Wait a minute. I have ten minutes. We will do it right now.

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MR. LUXFORD: Or get Bill Taylor and Aarons in here.

H.M.JR: You know what it is, don't you?

MR. LUXFORD: Yes.

H.M.JR: All right.



THE SECRETARY OF THE TREASURY
WASHINGTON

My dear Cordell:

On March 3, 1944 Messrs. Acheson, Duggan and Collado discussed with me the problems involved in imposing complete economic sanctions against Argentina. At that time we discussed the possibility of freezing Argentine assets. It was concluded, however, that it would be preferable if the United States and the United Kingdom could jointly impose complete economic sanctions against Argentina and I understood that discussions to that end would be initiated.

Since that date Mr. Acheson has been kind enough to keep me informed of the reaction of the various Combined Boards to the proposal for joint sanctions. On the basis of these reports, and in the absence of any information suggesting British approval for the program, it seems quite apparent that there is little likelihood of any joint program of complete economic sanctions materializing at this time. Meanwhile, from all appearances, the situation in Argentina continues to ~~deteriorate.~~ *grow worse.*

Accordingly, it is my conviction that we should freeze Argentine assets without delay and regardless of whether or not the British or other countries find it possible to take parallel action. I am hopeful that you, too, share my opinion in view of your decision to freeze Argentina in January and your forthright statement on April 9, 1944 that we can no longer acquiesce in the neutrals' drawing upon the resources of the allied world when they at the same time contribute to the death of troops whose sacrifices contribute to their salvation as well as ours.

The continued pro-Axis actions and policies of the present Argentine Government indicate, in my opinion, the futility of expecting that Argentina will itself plug the gap she has made in our economic defenses. I suggest that we should now recognize ~~Argentina's neutrality as we have that of Spain, Portugal, Sweden, and Switzerland when we~~

that Argentina is at best



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froze those countries on June 14, 1941. There can no longer be any doubt that the break in relations which the Argentine Government announced on January 26 was no more than a gesture designed to forestall impending economic sanctions by the United States. Argentina is still "neutral." In its neutrality it is necessarily an instrumentality and even a party in financial transactions of benefit to our enemy.

There can be no doubt that the extension of freezing control to Argentina is fully justified on economic warfare grounds. Axis industries and banks in Argentina have been and are still free from supervision or control and constitute a medium through which enemy operations may be conducted as well as a source of funds for such operations. The Argentine Government is today rendering affirmative assistance to enemy firms and protecting them from the effects of our economic warfare program; it awards large contracts to Proclaimed List firms even without going through the formality of competitive bidding; it procures materials for Proclaimed List firms that have difficulty in supplying themselves; it forces pro-Ally firms to furnish materials and act as sub-contractors to enemy firms. The government-owned banks, the Banco de la Nacion and Banco de la Provincia, have rendered and still render financial assistance to Axis banks and other enterprises. Argentina is today the only major channel of trade and communication between the enemy and the entire Western Hemisphere. It is a haven for Axis spies and Axis funds, a waiting sanctuary for Nazi and Fascist leaders.

The evidence indicates that the present Argentine Government may be Axis-inspired through control over members of the Army by the technique of loans, bribes, etc. In any event, Argentina is the point from which the enemy may safely and effectively operate and from which Axis efforts throughout this Hemisphere are coordinated and directed. Thus, Argentina is able to finance propaganda, sabotage, and espionage in this Hemisphere to the detriment of our war effort. So long as our financial facilities are open to Argentine nationals without regulation our enemies also have access to free funds in this country for such purposes. Argentina, therefore, constitutes a channel through which enemy interests can slip through our economic defenses.

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Our Embassy in Argentina reported recently that following the break in relations, the Argentine Government has done nothing to hamper in any way the pro-Axis activities permitted by an administration which is progressively more beneficial to the Axis cause. On April 12, 1944 the press reported that Argentina had gone so far as to prohibit the publication of either the United States or British blacklists--a measure unique amongst even the neutrals.

I therefore think it is imperative that we freeze Argentine assets: to prevent the use of the financial facilities of the United States for transactions harmful to our cause and beneficial to that of the enemy. You may, of course, rest assured that if Argentine assets are frozen, the Treasury will cooperate fully with your Department in administering the program.

I have discussed this matter with Mr. Crowley and he had authorized me to state that he joins me in making this recommendation.

Sincerely,

Honorable Cordell Hull,
Secretary of State.

April 27, 1944
12:55 p.m.

NEGOTIATIONS WITH THE DUTCH

Present: Mr. Luxford

H.M.JR: Review that for me.

MR. LUXFORD: I think Harry probably told you that the Dutch were in yesterday and told us that they had turned over the currency.

Now, the arguments that are being used by State are principally these, that under the Reciprocal Aid Agreement that the State Department and Lend-Lease entered into with each of these countries, it was agreed that we would-- rather we said we would not ask for reciprocal aid to cover the expense of our troops or of our administrative personnel.

Now, Acheson and Rostow of State, as well as these refugee governments, take the position that that meant that we would not be asking them for currency to pay for those expenses. All that the agreement actually said was that we wouldn't ask for it as reciprocal aid. What we say is that we are not now insisting upon it as reciprocal aid. Rather, we are saying that they furnish us the currency and we will settle accounts later, all the accounts, whereas they insist on troop pay and administrative expenses being excluded from the currency agreement.

The Dutch take this attitude: They say that, "By what token do you ask us to finance that kind of expenses and at the same time you refuse to make any loans?" In fact, that is the thing that has embittered them a great deal, the turn down on the three hundred million dollar loan and the recent request for a smaller loan. They say, "Now, you have indicated to us that you won't extend financial aid to us, and then you have the gall to turn around and ask us to stake you in Holland." That is the line they take.

- 2 -

H.M.JR: That makes sense to me. Why not?

MR LUXFORD: You can't argue with me. I am telling you the Dutch position.

H.M.JR: We are going in to free your country.

MR. LUXFORD: And we are not saying we won't pay them, "But let's wait until we get the accounts, and we want to consider our payment to you at the same time we consider what you owe us." That is the argument.

H.M.JR: That doesn't shake me.

MR. LUXFORD: It shouldn't. The biggest argument we have is this Congressional argument, that we are not going to make commitments without Congressional approval.

H.M.JR: You know what we told them the other day.

Let me just ask this thing: Do we know anything about this, some committee that must be in London that is handling all these things that corresponds to McCloy's committee here?

MR. LUXFORD: Yes, the CCCAL, the Combined Committee on Civil Affairs, London, which was originally a subordinate committee to our Combined Committee here, but more and more usurping the functions of our Committee, and the center of operations is there. We are not represented.

H.M.JR: Who appoints those people?

MR. LUXFORD: I know that the State Department appointed two of their men to the two civilian jobs, although the British have a British Treasury man both here and there.

H.M.JR: Let's bring that up. Say, "I don't know what is going on in London; we are not on the Committee." We have every right to be over there.

I personally think Stimson has pulled a fast one on me.

- 3 -

MR. LUXFORD: Stimson and State. I don't think that Stimson would interfere with the Treasury representative unless he had State behind him.

H.M.JR: Is McCloy back?

MR. LUXFORD: Yes.

There is a way to winning both State and Stimson on this, if we will send Treasury Attaches to the refugee governments. That is, don't deal with this through military circles, but deal as financial representatives of the Treasury with each refugee government, because we know when the Army goes into those areas they are not going to have control of civilian operations. They have agreed that is going to be with the local government.

H.M.JR: Well, the only trouble is that that might make it more difficult for Eisenhower.

MR. LUXFORD: I think not, because his directive says for him to stay out of that.

H.M.JR: How would it be if I asked McCloy to come over and see me? I want to know what is going on over there. Why not go right to the top?

MR. LUXFORD: I see no reason why you shouldn't.

H.M.JR: I would simply say to McCloy, "You are back, and I want to know what is going on."

MR. LUXFORD: You might want to speak to Harry about that to get his slant on it, but I can see no reason why you aren't entitled to a report of what is going on.

I know he saw Churchill when he was over there. As I understand it, he was pretty proud of that.

(The Secretary holds a telephone conversation with Mr. McCloy, as follows:)

April 27, 1944
12:58 p.m.

John
McCloy: Hello.

HMJr: This is Morgenthau.

M: Yes.

HMJr: How are you?

M: I'm fine.

HMJr: Look, Jack, I wondered if you could drop over some time tomorrow morning, and tell me what's going on on the financial front in London, because we know nothing.

M: Okay, Henry. I can tell you -- I can tell you all that I know very shortly. When I was over there - I - I didn't go over for that purpose.

HMJr: No.

M: I went over for something entirely different, but I - I made a couple of inquiries about it, and I - can let you know what I know.

HMJr: What time in the morning would be good for you?

M: Hold the wire.

HMJr: The earlier, the better, for me.

M: I've got - ah - twelve o'clock appointment is the only thing I've got -- ah - any time. Ten - eleven - whatever you say.

HMJr: Ah

M: Nine, ten, eleven

HMJr: Eleven would be good.

M: Eleven o'clock?

HMJr: Yeah.

M: I'll be there at eleven.

- 2 -

HMJr: Do you want to have me -- do you want to see me alone, or what?

M: Oh, no. I don't care. I'll see you with anybody.

HMJr: Well, then, I may have White

M: Yeah.

HMJr: and Luxford here.

M: Good. Fine. But I - I won't have much in the way of - I'll tell you what little -- what few little problems they had that - that were just translated to me indirectly, and what the personnel situation was, and that's all.

HMJr: Well, I didn't know.

M: Yeah.

HMJr: If - if you'll take the time, I'll appreciate it.

M: I'll be over at eleven.

HMJr: Thank you.

M: Good-bye.

- 4 -

H.M. JR: He says he only knows a few little things;
that isn't what he went over on.

MR. LUXFORD: Taylor should be in.

ECONOMIC FINANCIAL AND SHIPPING MISSION
OF THE
KINGDOM OF THE NETHERLANDS
WASHINGTON D. C.

NEW YORK CITY
25 BROADWAY ROOM 1118
TEL. WASHINGTON
BOWLING GREEN

FINANCIAL MISSION

No. 385
Confidential.

April 27, 1944.

Mr. H. White,
U.S. Treasury Department,
Washington - D.C.

Dear Mr. White,

Further to my letter of April 24th No. 385, in which I informed you of the establishment of a rate of the Pound to the Guilder of 10.891, the Netherlands Minister of Finance now wires me to ask whether the U.S. Treasury Department agrees to apply the Dollar - Guilder rate corresponding with this Guilder - Pound rate on the basis of the existing Dollar - Sterling rate.

If perhaps Mr. Taylor could give me a ring at Bowling Green 9-2226, I would then be able to reply to Mr. van den Broek's cable.

I regretted to learn from Mr. Crena de Iongh that you had no official information to the effect that the Netherlands currency amounts required by the American Commander-in-Chief, had been placed at the latter's disposal by our Government. Had I known that you lacked such information, I would, of course, have informed you thereof, but I was under the impression that you had received word directly from the Commander-in-Chief. I understand however, that Mr. Kleijn Molekamp has read to you the contents of the telegram which was received from our Government in this matter.

Yours very truly,


H. Riemens.

ECONOMIC FINANCIAL AND SHIPPING MISSION
OF THE
KINGDOM OF THE NETHERLANDS

WASHINGTON, D. C.

NEW YORK CITY
25 BROADWAY ROOM 1128
BOWLING GREEN 9-2128

FINANCIAL DIVISION
No.
Confidential.

April 24, 1948

Mr. H. White.
U.S. Treasury Department,
Washington, D.C.

Dear Mr. White,

The Netherlands Minister of Finance has informed the Economic Mission that the rate of the Pound to the Guilder prevailing after the invasion of The Netherlands has been fixed at 10.691, corresponding to the rate of the Pound to the Belgian Franc of 176.625.

The Secretary of the Treasury, we are furthermore informed, will receive official notification by letter from the Minister of Finance, which will be handed through the intermediacy of the Netherlands Ambassador.

Since this official notification will take some time, it was thought desirable to inform you forthwith of the above.

At a rate of \$4.- to the Pound, this would bring the value of the Guilder at 37 1/2 cents, whereas the value of the dollar as expressed in Guilder cents, would be 2.67.

Yours very truly,



H. Riemens.

April 27, 1944
2:35 p.m.

Operator: Go ahead.

HMJr: Hello.

Dean
Acheson: Henry.

HMJr: In person. In - in the flesh.

A: I called just a few minutes after you went out for lunch.

HMJr: I see.

A: I've inquired around here

HMJr: Yeah.

A: and so far as the Argentine situation is concerned, there isn't anything particularly new either way.

HMJr: Right.

A: We're not making any headway, and sometimes it looks darker, and sometimes -- it's a struggle between two men -- this Perron and Perlinger.

HMJr: Yeah.

A: And, it's very - very bad. Now, as to when you take it up, my strong advice to you would be not to take it up this week with the Secretary.

HMJr: Yes.

A: He's very tired. He's been through a harassing experience in the last two days which have got his nerves on edge, and he - he flies off quite quickly....

HMJr: Oh.

A: as I have been experiencing....

HMJr: I see.

- 2 -

- A: yesterday and today. I'm afraid if you -- if you give him a really tough one on Saturday, he - he will react rather -- just in a -- won't know which way to go - what will happen, but I'm afraid he won't sleep over the week-end, and he'll - he'll be in a mess.
- HMJr: Oh.
- A: If we could do it next week -- let him get a rest, I - I think that we could discuss the thing much more calmly and
- HMJr: Yeah, well
- A: He is - he's quite frazzled yesterday and today. We've - we've had stuff back and forth between London and Madrid, and he - and it's gotten him - several times he's been on the verge of doing something that when you finally got him cooled off, he decided that it was not at all what he wanted to do.
- HMJr: Well, after all, I'd be glad to take your advice, and what I'll do is, I'll ask to see him early next week.
- A: I think that would be all right.
- HMJr: I think I'll ask for an appointment though -- for next week, or do you think that would worry him?
- A: No, I don't think so. That -- it wouldn't particularly - I just don't want to get him started worrying about this before Monday. I'd like it, if he could, to get off early Saturday and have a day and a half of rest, because he's really quite tired.
- HMJr: Well, then I - I don't
- A: He could arrange an appointment easily for you at any time, if you
- HMJr: Do you think it would be a mistake even if I said I want to see him Monday?
- A: Yes, because he would worry what it is; if you -- if you say you want to see him sometime early in the week

- 3 -

HMJr: All right.

A: and then you might call up Monday and say that

HMJr: I'll call up -- I'll call up Monday, Dean, but - but you fellows get your own minds in order, will you?

A: Yeah, we'll talk it over with you tomorrow.

HMJr: Right.

A: Preliminary trial, if you like.

HMJr: Yeah. I'd like to very much.

A: Sure. We'll -- we'll be glad to go into it any time.

HMJr: All right. And I'll - I don't want to unnecessarily aggravate him, but on the other hand, I - I am in dead earnest.

A: Yes. Well, I don't - I don't want to try and delay you on it, except for his personal

HMJr: Well, we could -- we could make progress amongst ourselves.

A: Yeah, I think we - we could go over that, and then

HMJr: Are you feeling healthy?

A: Oh, I feel fine. I'm all right.

HMJr: I could put the pressure on you.

A: (Laughs) Yeah, you can give me all the going-over that you want to.

HMJr: All right, but I'll - I'll do it very - very politely, but we'll put the pressure on you.

A: All right. I'm going to put some pressure on you

HMJr: I know you are. I know. I've been schooled on it.

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A: But I

HMJr: That's all right.

A: I don't think there's any great issue
between us on - on these Dutch fellows.

HMJr: Well

A: I think we can work it out all right, anyway.

HMJr: Okay.

A: Fine.

HMJr: Good-bye.

A: Thank you, Henry.

April 27, 1944
2:43 p.m.

HMJr: Hello.

Operator: Mr. Mack.

HMJr: Hello. Hello.

Clifton Mack: Hello.

HMJr: Cliff.

M: Yes, sir.

HMJr: In regard to this Bona-Allen Shoe Plant in Georgia

M: Yes, sir.

HMJr: would it, in any way, slow up the Army if I said to wait until Wednesday when Mr. Olrich will be here?

M: Ah - I don't think so. This of course -- this, of course, doesn't tie into the surplus property program.

HMJr: Oh, it doesn't?

M: No, this is - this is straight lend-lease.

HMJr: Oh.

M: Like the medical operation

HMJr: Oh - oh.

M: they wanted to take over.

HMJr: I see. Well, do I have to decide something?

M: No, sir. Ah - I wanted to be sure that you knew about it.

HMJr: Yeah.

M: And we've gone into it very carefully, and I'm having Mr. Flatley, who is Chief of Contract and Purchase, be down there in Buford, Georgia, to look it over and to see that everything goes all right when we take over the operation.

- 2 -

HMJr: Yeah. Oh. Well, if you think it's all right, then ...

M: I do.

HMJr: Well, then it's all right with me.

M: I do.

HMJr: All right.

M: Yes, sir.

HMJr: Did you know that Olrich was coming in Wednesday?

M: Pardon? No, I didn't. Next Wednesday.

HMJr: I mean, that his company is giving him a leave of absence?

M: Oh, I'm glad to hear that.

HMJr: Hasn't anybody told you that?

M: Well, just this morning John said something about - ah - "Why don't you hold those matters until the new man comes in?".

HMJr: Well, he is coming. He'll be here Wednesday.

M: Well, I'm glad to hear that.

HMJr: Right.

M: Fine, and thank you.



TREASURY DEPARTMENT

PROCUREMENT DIVISION

WASHINGTON 25

MA



OFFICE OF THE DIRECTOR

April 27, 1944

MEMORANDUM TO THE SECRETARY

This office has been requested by Foreign Economic Administration to rebuild approximately 1,200,000 pairs of discarded army shoes for use in its Liberated Areas Program.

It is intended to conduct the operation of this rebuilding at the Bona-Allen Shoe Plant, Buford, Georgia.

The Army Quartermaster Corps, who has operated the plant under a management contract with the International Shoe Company since September 1, 1943, has agreed to transfer the operations at Buford, Georgia to the Procurement Division. The Army has an investment in specialized equipment and machinery at this plant of approximately \$900,000.

The output of the factory under the Army operation was approximately 150,000 pairs of shoes per month, and it is estimated that the production for Liberated Areas can be increased to approximately 175,000 pairs per month since the specifications for rebuilding shoes under the Liberated Areas Program are less rigid than the Army specifications. Very little new leather will be used since composition soles and plastic insoles will be substituted for the leather now used by the Army.

The proposal contemplates the continuance of the management contract with the International Shoe Company, and that operation will begin May 1, 1944. Representatives of this office have already surveyed the Army operation and will be present on May 1, 1944 to supervise the change-over.

Milton E. Back
Milton E. Back
Director of Procurement

April 27, 1944
2:48 p.m.

HMJr: Hello.

D. W. Bell: Hello.

HMJr: Dan.

B: Yes, sir.

HMJr: In this discussion this morning, it came out that the Russians had asked for a hundred pounds of ink, and that the Bureau of Engraving said it would take a month. Hello?

B: Yeah.

HMJr: I wish you'd look into that, and find out just what is the minimum time they could give them the ink that they want.

B: Well, they -- Al told me about a -- he thought it was about a month, but he'd try to beat it.

HMJr: Well

B: He's doing everything he can to shove it.

HMJr: Oh, tell him that's entirely unsatisfactory to me.

B: Well, I find that he always beats his time

HMJr: No, but I want to know why it can't be done in a day or two.

B: Oh, well, it can't be done in a day or two. I mean, we've got to do certain things.

HMJr: Well, I want to know what.

B: Okay.

HMJr: I want to know why it can't be done in a day or two.

B: Yeah, but I know he's working hard on it -- he's

HMJr: Well, will you tell him I want to know why it can't be done?

- 2 -

B: All right.
HMJr: If you please.
B: All right.

April 27, 1944
4:00 p.m.

TRANSFER OF GERMAN CAPITAL

Present: Mr. White
Mr. O'Connell
Mr. Luxford
Mr. DuBois
Mrs. Klotz

H.M.JR: I don't know who should handle this. I will be very quick. This is a very interesting request from Colonel William C. Bentley, Acting Assistant Chief of Air Staff, Intelligence. What they want to know is-- I will give it to whoever the person is who should get it-- can we advise them whether since the recent bombing there is any flight of capital from Germany.

They think that the big boys are scared and the movement is on, but they have no way of knowing, and they don't know how to organize it. They would like to cooperate with us. To them it is very important, see?

So I immediately put in my two-cent plug for the Argentine, if they want to get busy.

I mentioned this Lieutenant Colonel Towson. He had never heard of that. He said G-2 doesn't work with them, and "We are on our own. We want to know what the Treasury can do to help us."

MR. WHITE: I suspect if there is any flight of capital it would go chiefly to four places: It would go to Sweden, Switzerland, Argentina, and possibly Spain, but much less so. Now, we have a man in--

H.M.JR: Whose job would this be?

MR. LUXFORD: I think it would be yours (to White).

- 2 -

MR. WHITE: It is probably closer to what we know in our field, but I don't know how much we will be able to get, because it is a question of getting secret information in the field.

H.M.JR: What about OSS?

MR. WHITE: OSS might have it.

H.M.JR: Well, you know, I would like to meet the Army man who is not in OSS who knows what OSS is doing. This man says, "Whatever they are doing, we don't know."

Anyway, will you take it on?

MR. WHITE: Yes. I don't think we can get much information. Can we cable for that information to our man in Sweden?

H.M.JR: Sure.

Can anybody in Switzerland help us?

MR. WHITE: I don't know. State Department has people there, but we don't. We would give our left leg to have somebody in Switzerland.

H.M.JR: Don't we have somebody there?

MR. LUXFORD: The War Refugee Board has.

H.M.JR: OSS must be lousy.

MR. LUXFORD: They have Allan Dulles in Switzerland.

H.M.JR: Look, let's try and do a job. I don't think we ought to use the War Refugee Board, but let's try and do a job.

Now, this is what happened: I spoke to Mr. Acheson today--I am trying to keep this thing quiet. He said he wanted to find out about freezing Argentina, and he came back this afternoon--this is all very much in the room--

- 3 -

and said, "I will tell you something. You have asked me, and I would like to advise you not to speak to Mr. Hull Saturday. The man is absolutely groggy. He has had two very unpleasant days over Spain. I am afraid if you went to see him Saturday he might lose his temper. He almost did something on Spain, but we got him out of it."

So Crowley evidently just thought--you know, he was going to go ahead. I imagine what he was going to do was to stop oil to England.

I said, "Well, can't I ask for an appointment Saturday?"

He said, "Well, you can ask for an appointment. If he knows what it is, he will be worried and won't get any rest. If he doesn't know, he will be worried. I am really asking you to leave him alone until Monday; he is so upset. The last two days have been very difficult for him."

So the war can wait. I can't, in the light of that, can I?

MR. LUXFORD: No.

H.M.JR: I can't, because Acheson has been so good to us. In view of that recommendation I can't call the old boy up.

MR. LUXFORD: You see, I think there is another explanation from what Crowley said. I think that Hull is getting to the point where he wants to crack down, and Acheson has had all he can do to keep him from doing it.

H.M.JR: And he evidently has kept him--he said, "I have kept him from making a major mistake."

I said to Dean, "How is your health?"

He said, "Fine."

I said, "O.K., we will go to work on you."

- 4 -

So then he said, "Well, I am going to work on you on Holland, but that won't be difficult."

MR. WHITE: On Holland?

H.M.JR: Yes.

But whatever Hull wanted to do, Acheson kept him from doing it.

MR. WHITE: Did Hull want to do something that was bad or good?

H.M.JR: I don't know. This is what Crowley told us.

MR. LUXFORD: I was here.

H.M.JR: I was trying to save you (White). What Crowley told us was that Hull has been wonderful, and he went ahead and said, "No oil to Spain," even though the English were going to continue to ship oil, because the English insisted that they needed certain things that Spain had.

Then he said the whole business of Lend-Lease--here he said we lend-lease oil to England, and England sends it to Spain. Putting two and two together, I take it that Hull most likely was going to hold up the oil going to England.

MR. LUXFORD: In any event, he was going to say, "We will cut it off and England can do what she wants to."

MR. WHITE: Acheson stopped him from making that mistake.

H.M.JR: He saved him.

MR. WHITE: In other words, Dean Acheson remains Dean Acheson, only smoother.

H.M.JR: But I can't do it in the face of his saying that I am going to upset the man and he isn't going to sleep for two days.

- 5 -

MR. WHITE: If he is groggy, I would suggest you see him. When a man is groggy on the ropes, that is the time to go after him.

H.M.JR: I agree, but I couldn't in view of the way Acheson has acted toward us. I couldn't go to Hull without seeing Acheson first.

MR. WHITE: No, I am sure you couldn't.

H.M.JR: Here is this thing. It is just a formal reply from Gromyko, nothing new.

MR. WHITE: On that same line, Currie wanted me to inform you when I could that they were going after Sweden, and they have something apparently very hot on the SKF.

MR. LUXFORD: It would be over here, too, if they had it over there.

H.M.JR: There is a Mr. Mohl--I am now talking to the Refugee Board--who has for twenty years been an industrial engineer in Palestine. He is outside now. A Doctor Magnes in Palestine sent him to us. He is here trying to find out what post-war planning we are doing to help Palestine. It meant nothing to me. Whether you fellows want to talk to him--he is an American, I gathered, a naturalized Englishman. He is in the employ of the English Palestine Government.

I told him I didn't know whether you people wanted to find out something about the situation.

MR. DuBOIS: I would like to talk to him.

H.M.JR: All right. He seems to be fairly intelligent. What are you shuffling your papers for?

MR. WHITE: Are you interested in seeing that cable to Eisenhower?

H.M.JR: Wait a minute. Don't you think we had better wait now if Acheson is going to do a job on me?

- 6 -

MR. WHITE: Oh, no. This relates only to the availability of the currency. The job that Acheson is going to try to do on you is to pay--

H.M.JR: That is all right. Are you all right for tonight--for the rest of the day?

MR. WHITE: We had a couple of things before you see Acheson tomorrow at lunch. I understand you are going to discuss those four things. You will see us before?

H.M.JR: Yes.

Secretary gave Mr. White copy of this
letter 4/28/44 -

○
Follow up 5/4/44 with Hoje -

.. .. 5/5/44 with White

.. .. 5/9/44 - replies not received.

SECRET

**WAR DEPARTMENT
HEADQUARTERS OF THE ARMY AIR FORCES
WASHINGTON**

295 ✓

SECRET	
By Authority	
The Honorable General	
Army Air Forces	
Date	AFIAN-201


27 APR 1944

MEMORANDUM FOR MR. MORGENTHAU

1. It is believed that the Treasury Department has available or can obtain information regarding the flight of capital from Germany which would be extremely valuable to the Army Air Forces.

2. The Army Air Forces is engaged in a secret study of a nature which involves analysis of conditions inside Germany. Certain of the factors to be considered, such as morale, are intangible and incapable of accurate measurement because of a lack of factual information. It is felt that measurement of the flow of funds from Germany would constitute an important piece of evidence which should be regularly followed.

3. It is requested that the Treasury Department provide information regarding the flight of capital from Germany during the period 1938 to date with particular attention to any trends developed during the latter stages of the Combined Bomber Offensive (September 1943 to date). It is suggested that the matter be coordinated by the Treasury Department directly with the Assistant Chief of Air Staff, Intelligence.


WILLIAM C. BENTLEY
Colonel, GSC
Acting Assistant Chief of Air Staff,
Intelligence



SECRET

Tuesday, May 16.

Forget - Ben
Hoje - 6/1/47 -

Follow up to see if Dr. White has received replies to his cables. If not, follow-up again with the Secretary.

5/25 Replies not yet in -

7

57328 297 ✓

April 27, 1944

SUPPLEMENTARY RECOMMENDATION
BY THE EXECUTIVE COMMITTEE OF THE FEDERAL OPEN MARKET COMMITTEE
TO THE SECRETARY OF THE TREASURY

In our memorandum of March 29, 1944, we recommended that the rate on Treasury bills be increased to 1/2 of one per cent and the maturity extended to four months. At the meeting of our representatives with you, concern was expressed by your associates as to the effect on the whole interest rate structure of the abandonment of the 3/8 of one per cent rate. At the same time, our representatives referred to the fact that an increase in rate would mean an increase in earnings on the large holdings of bills by the System and expressed the view that, while this circumstance should not be a determinant of financing policy, ways could be devised to overcome it, if necessary.

Renewed consideration of our recommendation has further convinced us that it is sound in principle. Renewed consideration of the Treasury's views has suggested an adaptation of our proposal that should make it acceptable without detracting essentially from its advantages. In brief, we now propose that there be two issues of Treasury bills, one of three-month maturity, which would be largely if not wholly taken by the Federal Reserve Banks, and one of five-month maturity, which would achieve the wider distribution we seek in the market. In order to make this proposal effective, we would recommend that:

1. The Treasury plan to raise funds between drives largely by means of five-month bills instead of certificates or longer-term securities.
2. The Treasury offer initially 1.2 billion dollars of bills each week, including 600 million of three-month bills and 600 million of five-month bills. At the end of each three-month period, the Treasury would increase the weekly offering of three-month bills, in order to enable the System to provide banks with such reserves as are needed on the basis of 3/8 instead of 5/8 of one per cent.
3. The Federal Open Market Committee direct the Federal Reserve Banks to establish a buying rate of 5/8 of one per cent and a repurchase option on the new bills.
4. The Federal Open Market Committee direct the Federal Reserve Banks to offer each week to purchase from dealers the amount of the offering of new three-month bills and to maintain the present buying and repurchase rate of 3/8 of one per cent on such bills, the rate being maintained initially to protect existing holders and subsequently to avoid its disappearance from the market.

This proposal has the following advantages:

- a. By offering 1.2 billion dollars of bills a week, the Treasury could raise 8.0 billion of funds. Following the completion of both cycles, there would be outstanding 7.8 billion dollars of three-month bills (600 million a week for 13 weeks) and

13.2 billion of five-month bills (600 million a week for 22 weeks), making a total of 21 billion, compared with the present 13 billion. This amount of new funds would cover the maximum necessary interim bank financing in 1944.

- b. The rate on the new five-month bills would be in line with the present pattern of rates as indicated by the market for certificates of indebtedness that mature in five months, but the difficult task of maintaining a market pattern between $3/8$ and $7/8$ of one per cent would be relieved in considerable measure.
- c. The net cost to the Treasury would probably be no larger than if the financing were done partly with $3/8$ of one per cent bills and partly with $7/8$ of one per cent certificates or higher-rate securities. What the Treasury would lose by shifting some of the bills from $3/8$ to $5/8$ of one per cent would be regained by shifting from certificates at $7/8$ of one per cent to bills at $5/8$ of one per cent. To the extent, moreover, that the higher-rate bills proved attractive to nonbank investors, so that they could be used to reduce materially the amount of Treasury financing to be done indirectly through the banks, the net cost of the Treasury's borrowing would be less than under the present program.
- d. It would eliminate the offering of certificates or longer-term securities between drives. Such offerings require special announcements that call attention to direct bank financing and are an indication that the Treasury has not obtained sufficient funds from nonbank investors. Such offerings, moreover, involve problems of handling subscriptions and making allotments and in the case of certificates necessitate annual refunding offerings. Offerings of bills, however, are more or less routine and can be used to provide whatever amount of residual financing is needed and whenever it is needed.
- e. Treasury bills would regain some of the character of market obligations, whereas now they are tending to become almost solely a medium for Federal Reserve financing. Banks are now keeping their holdings of three-month bills at low levels, because of the unattractive rate, and are purchasing certificates for their shortest-term investments. The higher rate on bills would result in an increase in commercial bank buying and holding of bills and would encourage banks to meet fluctuations in reserves through changes in their bill portfolios rather than through buying and selling certificates, notes, and bonds.

April 27, 1944

- f. More important, there would also be an increase in the buying and holding of bills by business concerns, which are now holding large amounts of cash on deposit with banks. Since bills are as liquid as deposits, business concerns could reduce their deposits substantially and meet some of their fluctuating needs for cash by changes in their bill holdings rather than through bank deposits. By this process, the amount of nonbank investment in Government securities would be increased, and the amount of necessary bank financing would be reduced.

It is suggested that these recommendations be put into effect as soon as possible so that they will immediately become a part of the Treasury's financing program for the remainder of the year.

APR 27 1944

Dear Dr. Hunter:

I have for reply your letter of April 18, in which you advise that you are considering Dr. Peter H. Odegard among other candidates for the presidency of the University of Oregon and request my appraisal of him.

Dr. Odegard was selected by me to serve as an Assistant to the Secretary at a time when there was confronting the Treasury Department the task of raising unprecedented billions to finance the war, and in this capacity he assisted with the members of my staff in developing policies and procedures forming the background of the War Bond program.

In this field of work Dr. Odegard displayed considerable constructive originality, making many valuable suggestions. His judgment was respected by his associates as well as by me, and it is my feeling that he contributed in a large measure to the successful inauguration of the War Bond program.

Dr. Odegard has the qualities of mind and personality which, it seems to me, are to be sought in the person selected for the important position mentioned in your letter. His brilliant mind is complemented by his ability to achieve results through effective administration. In his relationships with his colleagues he is particularly successful.

It is a pleasure to me to have this opportunity to comment favorably on Dr. Odegard's qualifications.

Very truly yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

Dr. Frederick H. Hunter,
Chancellor, Oregon State System
of Higher Education,
Eugene, Oregon.

CSB:cm
4-26-44

Malk

25

April 22, 1944

Dear Dr. Hunter:

Your letter of April 15, requesting information about Dr. Peter H. Odegard, who has been suggested as nominee for the presidency of the University of Oregon, has reached this office during the Secretary's absence. You may be sure that I shall be glad to bring your letter to Mr. Morgenthau's attention as soon as he returns to the office.

Sincerely yours,

(Signed) H. S. KlotzH. S. Klotz,
Private Secretary

Dr. Frederick M. Hunter,
Chancellor, Oregon State System
of Higher Education,
Eugene, Oregon.

OREGON STATE SYSTEM OF HIGHER EDUCATION
OFFICE OF THE CHANCELLOR
EUGENE, OREGON

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OREGON STATE COLLEGE, CORVALLIS
OREGON COLLEGE OF EDUCATION, MONMOUTH
EASTERN OREGON COLLEGE OF EDUCATION, LA GRANDE

April 15, 1944

UNIVERSITY OF OREGON, EUGENE
UNIVERSITY OF OREGON MEDICAL SCHOOL, PORTLAND
SOUTHERN OREGON COLLEGE OF EDUCATION, ASHLAND

Honorable Henry Morgenthau Jr.
Secretary of the Treasury
Washington, D. C.

My dear Secretary Morgenthau:

The Oregon State Board of Higher Education is conducting a canvass to locate the best possible nominee for the presidency of University of Oregon. Several notable names have been suggested, one of whom is Dr. Peter H. Odegard, Professor of Political Science, Amherst College.

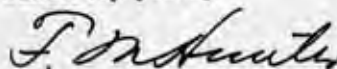
The State Board is interested in having further knowledge of his record. Would you be good enough to give us a brief account of his qualifications for such a position as the presidency of University of Oregon?

We believe you have in mind the requirements for the leadership of this institution. In normal times the enrollment is 3,500. The staff membership numbers 450. It has a well-developed campus valued at \$7,000,000 and a library of 368,000 volumes. The possibilities of leadership at this institution offer a great opportunity to an ambitious and forthright young administrator. The annual budget is approximately \$1,000,000.

We are naturally particularly interested in Dr. Odegard's administrative aptitude as manifested by his natural endowments and his recorded experiences and achievements. His personality and the skill with which he draws staff members, students and college clientele around him are particularly important in this situation. His life philosophies as well as his courage would come prominently into play because of some of the complexities of our present situation. We are, of course, assuming a scholarly background and an attitude of profound approval toward research and high standards of achievement for both faculty and student body. The cultural life of himself and his family is likewise a matter which will be regarded as foundational.

If you will be good enough to give us your appraisal of Dr. Odegard, the State Board of Higher Education and I will be much in your debt.

Sincerely yours,



Frederick M. Hunter
Chancellor

FMH:RS

303

D. Ribbon copy returned to Mr. Blough

April 27, 1944

MEMORANDUM FOR THE SECRETARY

From: Mr. Blough

Subject: Request to be out of Washington May 5 and 6.

(Your approval requested)

My undergraduate college (Manchester College, North Manchester, Indiana) is conferring honorary LL.D. degrees on my older brother Carman and me on May 6. I would like your approval to be absent from Washington for this purpose from the close of business on Thursday, May 4, until the morning of Monday, May 8.

While the explanation of the Tax Simplification Bill, which Senator George this morning indicated he would like to have, may fall within this period, I am sure that Mr. Surrey, together with Mr. Shere of my office, can handle the matter to the Senator's full satisfaction.

RB

OK. pm 7

April 27, 1944

MEMORANDUM FOR THE SECRETARY

From: Mr. Blough

Subject: Taxation. (For your information; no action required)

1. Tax Simplification Bill. There is nothing additional important to report beyond my oral report at staff conference this morning.

2. Information returns from tax-exempt organizations. I previously reported informal clearance of the return form (Form 990) by Mr. Stam and the Ways and Means Committee. Labor organizations, farm cooperatives, and farm mutual insurance companies have seen the form, suggested one or two very minor changes, and expressed themselves as well pleased with it. The Bureau plans to give them 45 to 60 days to prepare and file the returns.

3. Postwar taxation memorandum. Following your request to Mr. Paul in staff meeting some weeks ago, he asked me to prepare a preliminary memorandum on postwar tax policy. A draft of this memorandum was given to him last week and I am awaiting his further reaction to it.

4. Cabaret tax. For some reason Mr. Knutson has not been pressing his bill to lower the cabaret tax. If he does so, the Treasury position (based on your memorandum and a conference in Mr. Bell's office) is to stand by its previous position while continuing to collect information regarding the operation of the tax.

5. Use of advertising experts on income tax forms. Mr. Cann of the Bureau has agreed to the employment of assistance from the advertising profession in preparing income tax returns. A conference is to be held today with Mr. Sullivan, Mr. Fred Smith, and others, regarding the best procedure for securing this kind of help.

6. Roswell Magill is reported to be heading a committee on postwar taxation for the Tax Foundation, which heretofore has taken a very conservative pro-business point of view.

RB



TREASURY DEPARTMENT
WASHINGTON

OFFICE OF
COMMISSIONER OF INTERNAL REVENUE

April 27, 1944.

ADDRESS REPLY TO
COMMISSIONER OF INTERNAL REVENUE
AND REFER TO
SSU

MEMORANDUM FOR MR. SULLIVAN:

In re: Salary increase for Mr. Emil Schram,
President, New York Stock Exchange.

An application is pending for approval of a proposed contract between the Exchange and Mr. Schram, as the result of which Mr. Schram would be paid an annual salary of \$55,000 beginning July 1, 1944 and ending June 30, 1947. Thereafter he would be employed in an advisory capacity for a seven-year period at a salary of \$35,000 a year. There are further provisions (1) that in the event of his death during the three-year period his widow would receive \$35,000 a year for seven years from the date of death and (2) that in the event of his incapacitation during the three-year period the Exchange would continue to pay Mr. Schram at the rate of \$35,000 a year for seven years.

Mr. Schram has been paid during the past three years at the rate of \$48,000 a year. The Exchange, during 1938, considered the position to be worth a salary of from \$80,000 to \$90,000 a year, and for policy purposes it may well be considered that such a rate was established.

The increase, therefore, from \$48,000 to \$55,000 may be approved. Some question exists as to whether from a policy standpoint under salary stabilization employment contracts for newly created advisory positions which are not to be filled for some years in the future should be approved. There appears to be nothing in the Act or regulations prohibiting the Commissioner from approving such an arrangement.

If there are any suggestions as to whether the contract should be approved in whole or in part, we should be glad to have them.

A. O. Sullivan
Deputy Commissioner.



4/28/44

Phoned Mr. Mack that Secretary wants him to wait until Mr. Olrich comes in and discuss it with him.



TREASURY DEPARTMENT
PROCUREMENT DIVISION
WASHINGTON 25



OFFICE OF THE DIRECTOR

April 27, 1944

MEMORANDUM TO THE SECRETARY:

Mr. Clayton's Executive Assistant, Lt. Col. J. P. Woodlock, has advised me that the National Industrial Conference Board has asked that representatives concerned with the disposition of surplus property participate in a panel discussion at the Waldorf Astoria, New York City, on May 18.

Colonel Woodlock is to represent Mr. Clayton; Mr. Husbands of the Reconstruction Finance Corporation is scheduled to participate; and they have asked that someone be designated to represent the Procurement Division at this meeting.

The National Industrial Conference Board is an organization of business concerns in various activities, and representatives of the Government and industry take part in their monthly meetings.

Will you please indicate who you wish to represent Treasury in this program.

X

Clifton E. Mack
Clifton E. Mack
Director of Procurement



TREASURY DEPARTMENT

PROCUREMENT DIVISION

WASHINGTON 25



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OFFICE OF THE DIRECTOR

April 27, 1944

MEMORANDUM TO THE SECRETARY:

The sale of 4500 motorcycles has been completed. Widespread distribution has been effected through sales to automotive and motorcycle dealers and all sales were at the ceiling price of \$300, with the exception of 467 unassembled motorcycles in the possession of the manufacturer, the Indian Motorcycle Company, which were sold at \$250 each. The original offer of the Indian Motorcycle Company was \$140 for the entire lot.

Discussed general plans for distributing surplus surgical equipment with Dr. A. L. Faubel representing the Wholesale Surgical Trade Association.

Discussed plans for disposing of lot of 350 tons of screws at Memphis with A. M. Jones, Chief, Redistribution Unit, Bolt, Nut, Screw & Screw Machine Products Section, WPB. Advertising of this item must be deferred until further descriptive information is forthcoming from the Army Air Forces.

A conference was held with Messrs. Herrle and Mitchell of the American Red Cross. The Red Cross is interested in obtaining all goods made by its chapters and donated to the Army and Navy and which are declared surplus to us by these services. They will use these items for relief and disaster distribution.

The OPA has approved the application of retail price ceilings to our surplus passenger vehicles which will permit us to sell to dealers at prices equal to prices charged tax-supported organizations. Steps are now being taken to develop the specific method of sale to dealers.

Clifton E. Mack
Director of Procurement



OFFICE OF THE DIRECTOR

TREASURY DEPARTMENT
PROCUREMENT DIVISION
WASHINGTON 25



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April 27, 1944

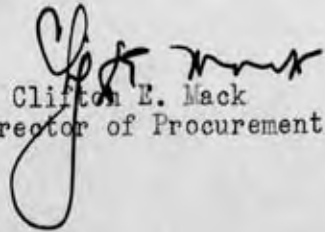
MEMORANDUM TO THE SECRETARY:

Hearings by the House Appropriations Committee on the Lend-Lease Budget for the fiscal year 1945 are to be held about May 1.

Estimates for Lend-Lease purchases to be made by the Procurement Division total \$1,909,788,656.00, according to the original letter of requirements submitted by the Foreign Missions, but it appears that this total will be reduced to about \$1,500,000,000.00, by the Foreign Economic Administration. The requirements include automotive equipment, machine tools, agricultural machinery, road-building, electrical, railroad and other equipment, iron, steel and other metals, chemicals, textiles, lumber and rubber products.

Administrative expenses, also included in the estimates, provide for the employment of 2080 people as compared to our present force of 2037.

Currently, our Lend-Lease purchases are running about \$100,000,000.00 a month. If the appropriation requested is approved, this would be stepped up to about \$125,000,000.00 a month.


Clifton E. Mack
Director of Procurement

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

311⁷

DATE

APR 27 1944

TO Secretary Morgenthau
FROM Mr. Pehle

I am attaching herewith a copy of
the report of the War Refugee Board for April 17
to 22, 1944.

Attachment.

Developments during the week of
April 17 - 22, 1944

1. COOPERATION WITH OTHER GOVERNMENTS

(a) Russia

A reply has been received from the Soviet Government to the memorandum left by Ambassador Harriman with respect to the creation and objectives of the Board. This reply states in substance that the policy of the Soviet Government has been, and still is, to aid in every way possible the victims of persecution by Hitlerite Germany.

In a cable to Harriman we have asked that appropriate authorities of the Soviet Union be approached in an effort to ascertain whether, in view of the positive action recently taken by both the United States and British Governments in reiterating their attitude toward Nazi war crimes and atrocities, the Soviet Government would take similar action. We have indicated our belief that such a statement on the part of the U.S.S.R. would have a profound effect upon the leaders and people of Rumania and Hungary.

(b) Greek Government-in-Exile

According to a report from the U. S. Legation in Cairo, the Royal Hellenic Government has welcomed the creation of the Board and has indicated its desire to cooperate in alleviating the refugee problem. A memorandum left with the Legation in Cairo stresses the great hunger and other hardships visited upon the Greek people as a result of German occupation. The memorandum also points out that persons in danger can escape from Greece with relative ease because of that country's geographical position.

(c) Turkey

Ambassador Steinhardt reports that the Turkish Government has now put into effect a plan worked out before Hirschmann's departure, for the evacuation of refugees

- 2 -

from the Balkans by rail via Turkey.

We have been advised that Turkish repatriates are also arriving in Turkey from France, in groups of fifty or so and at regular intervals, this repatriation being a direct result of our representations through Hirschmann and Steinhardt to the Turkish Government.

With respect to further "illegal" voyages by the "Milka" and "Maritza" -- that is, evacuations in which the proper maritime papers, Palestine immigration certificates, and Turkish entrance and transit visas are lacking, Ambassador Steinhardt indicates that if the number does not go beyond 500 refugees per month, he is reasonably sure that entry and transit can be arranged with the Turkish Minister for Foreign Affairs as each occasion arises, subject to the limited carrying capacity of the railroad to the Syrian frontier from Istanbul. Because of the recent substantial increase in the transit to Palestine from Istanbul of refugees arriving "legally," Steinhardt estimates that this 500 is the maximum number of refugees arriving illegally each month for whom rail transportation could be provided.

In a cable to Ankara we are advising Steinhardt that we have now obtained from the War Shipping Administration and from the Foreign Economic Administration authorization to commit this Government to the replacement of the "S.S. Tari," in the event of the loss of that ship in projected evacuation efforts, with a passenger vessel, as requested by the Turkish Government. In order to remove the one remaining obstacle, the granting of safe-conduct by the German Government, we are requesting that Steinhardt urge both the International Red Cross representative in Ankara and the Apostolic Delegate from Istanbul to arrange to see von Papen in person. Steinhardt is also being asked to advise us when the "Tari" is ready to depart, in order that war risk insurance may be placed here.

(d) Switzerland

The appointment of Roswell McClelland as the Board's Special Representative in Bern, Switzerland, and as Special Attache to the Legation on war refugee matters, has been confirmed.

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Minister Harrison has reported that the Swiss Government has declined to request German safe-conduct for the "S.S. Tari" in the projected Turkish evacuation on the ground that Swiss support of such a request would impede the efforts of the International Red Cross in that direction. The Swiss Government indicated, however, that it would not refuse to consider participation in a joint step which other neutral states might decide to undertake in this matter for exclusively humanitarian motives. Harrison subsequently reported that a similar position had been taken by the Swiss Government with respect to IRC representations concerning safe-conduct for the "S.S. Bellacitta."

We have cabled Harrison that both the Swedish and Turkish Governments have already acted in support of the IRC request for German safe-conduct for the "Tari" and we have suggested that Harrison may wish to bring these circumstances to the attention of the Swiss Government in renewed efforts to obtain an affirmative decision.

(e) Sweden

We are continuing our efforts to arrange for the use of a Swedish ship, notably the "S.S. Bardalanda," in Turkish evacuation efforts.

With respect to the President's statement of March 24, Minister Johnson reports a fairly general coverage in Stockholm newspapers, with less coverage throughout the rest of Sweden. Excerpts from the President's statement were given in official Swedish news broadcasts in the Swedish language over short, medium, and long wave lengths. The statement was also relayed through underground channels to Norway and Denmark and may thus come to the attention of occupation forces in those countries. Informal requests by the Legation that prominent government officials publicly comment on the statement were unsuccessful.

Johnson also reports that the Swedish Government has agreed to make every effort to hasten action on the part of the Germans with respect to the granting of safe-conduct for the "S.S. Tari." The matter of safe-conduct for the "S.S. Bellacitta" is also being taken up with the Swedish Government.

- 4 -

(f) Guatemala

In reply to State's circular airgram of January 26, Ambassador Long advises that little or nothing is being done officially in Guatemala toward the rescue or relief of persecuted elements in Europe, although since 1933 permission has been granted for nearly 1,000 refugees to enter Guatemala. The Guatemalan Government reportedly permits the entry of refugees for permanent residence where such refugees are able to obtain a guarantee of support from relatives already residents or nationals of that country; in some instances refugees have been able to gain entry for permanent residence without local sponsors. However, in all cases entry is granted only under the provisions of a law which severely restricts the pursuits of immigrants. Alleged abuses of entry restrictions led to a government decree in March 1939, closing business establishments owned or operated by refugees, requiring the registration of business houses, and calling for the licensing of agents working on a commission basis.

Ambassador Long indicated his belief that if any representations are to be made to the Guatemalan Government with respect to the acceptance of refugees, the chances of success would be greatly enhanced if any such proposal could be presented in specific terms, particularly with respect to the number of persons proposed and their probable length of stay.

(g) Finland

On the basis of informal discussions, Minister Gullion reports his belief that the Finnish Government would in all probability issue a declaration with respect to its willingness to facilitate the movement of refugees. The Finnish Foreign Office has indicated that, if such a statement is to be made, its release will be timed to coincide with the projected evacuation of certain Jewish refugees from Finland to Sweden.

In a cable to Helsinki now pending at State, we are asking Gullion to report on the possibility of using Finland as an escape route to Sweden from German-held Baltic

areas, particularly Lithuania, and on the possibility of cooperation from the Finnish Government in this connection.

2. APPROACHES TO THE SATELLITES

In response to our request that the International Red Cross send effective representation to Hungary in order to protect the well-being of groups facing persecution there under the recent German occupation, the IRC has advised Minister Harrison in Bern that for the time being it does not contemplate any such special delegation. The IRC is said to feel that under present circumstances such a mission might be considered as inconsistent with its traditional and conventional competence.

Minister Harrison has also reported on recent developments in the Jewish situation in Hungary. Increasing restrictions against Jews are noted, including those relating to general urban accommodations. Aryanization of banks and commercial and industrial enterprises is said to be proceeding. The establishment of ghettos or internment centers is also foreseen. Mass deportations to the east, however, are reported to hinge upon military developments. Significantly, Jews have been forbidden to leave Budapest despite the official evacuation of that city.

3. RESCUE AND RELIEF PROJECTS

(a) Relief to Jews in Rome

The American Jewish Joint Distribution Committee representative in Portugal reports that 1,400,000 lire have already been borrowed in Rome against the \$20,000 credit established in London for relief to Jewish refugees in Rome. The recipient organization in Rome, Delasem, has asked that the funds originally deposited in London be credited in its name in the United States in dollars, along with such additional funds as may be forthcoming from the JDC on the basis of previous requests.

(b) Abandoned Children from France

Minister Harrison has advised us that despite repeated informal representations on the part of the Swiss Government

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to Vichy with respect to the release of abandoned children facing deportation in France, Laval's decision was negative, with no explanation being given. It was urged that no publicity be given concerning Swiss intervention in this matter or Vichy's refusal, for fear of halting further efforts by the Swiss Government in this direction.

In a cable pending at State we are asking Minister Harrison and Board Representative McClelland to request that appropriate instructions be issued to the Swiss Legation at Vichy with respect to a formal approach to Laval on the matter. We are also requesting our Ministers in Lisbon and Dublin to approach the Portuguese and Eire Governments with requests for parallel action.

According to a report from the JDC representative in Lisbon, during the past four or five weeks over 300 such children from France have reached Switzerland clandestinely and are being cared for by local groups.

(c) Evacuations to Italy and the Mediterranean Area

According to a report from the U. S. Legation in Cairo, the British Foreign Office has instructed its Yugoslavian Embassy to approach Tito with a view to obtaining his active aid in facilitating the escape of Jews from Hungary through Partisan territory. Our great interest in facilitating such escapes to Italy and the Mediterranean area, has likewise been indicated in a cable to Cairo. Our Legation there has been advised that arrangements can be made for any assistance necessary, including financial, in order to enable these refugees to reach places of safety.

(d) Rescue of Jews in Athens

We have learned that 400 Sephardic Jews, Spanish nationals residing in Athens, have recently been imprisoned in a concentration camp. As a result of intercession by the Holy See, the Spanish Government has on several occasions in the past been prevailed upon to recognize groups of Sephardic Jews in Axis-held territory as Spanish nationals.

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For this reason, we are cabling Harold Tittmann, U. S. representative at the Vatican, asking him to approach Vatican officials so that the Papal Nuncio at Madrid may be advised of this situation and his aid enlisted in obtaining Spanish recognition, thereby forestalling deportation and almost certain death.

(e) Evacuation of Refugees from Finland

Some time ago Minister Johnson reported from Stockholm that Sweden had refused entry to 113 Jewish refugees who had gone to Finland from central Europe in 1938 and 1939, despite repeated requests on Johnson's part and despite the fact that the Finnish Government itself had made application for the admission of these refugees to Sweden. Johnson subsequently prevailed upon the Swedish Government to re-examine the case, in view of the danger of serious persecution, not only to the Jewish refugees in question but to local Jews and many non-Jewish refugees who would be equally threatened as a result of increasing German influence in Finland. We have now guaranteed to make arrangements for the evacuation from Sweden, as soon as practical, of all threatened persons other than Swedes who may be accorded refuge in Sweden, and for the maintenance while in Sweden of such refugees who cannot claim the support of their own governments. As a result, Swedish visas have now been authorized for 100 of the central European refugees now in Finland "as a starter."

(f) Latin American Passports

Minister Harrison has communicated to us the details of approaches made by the Vatican to various Latin American governments in an attempt to work out relief measures and possible evacuation plans for Jews interned in Axis territory who hold passports or papers issued by these governments. Under the circumstances reported, our efforts toward exchange arrangements become all the more urgent. Accordingly, we are cabling Harrison to proceed with all possible despatch in pressing Spain and Switzerland to inform the German authorities that we are prepared to consider as exchange material all internees in occupied territory who hold Latin American passports. In this

connection we are asking Harrison to note that we are advising Latin American countries that this Government does not expect such countries physically to admit any of these persons, but that arrangements will be made for refuge elsewhere. We are also communicating with the Vatican and requesting its support in our efforts on this basis.

In cables to Bolivia, Costa Rica, El Salvador, Guatemala, Haiti, Nicaragua, Paraguay and Peru on the projected exchange, the substance of the report concerning Vatican efforts is given along with the request that our Ambassadors impress upon the officials concerned the fact that failure to act will almost certainly spell death for the persons involved.

Since certain individuals among the refugees interned in France and Germany claim American citizenship, we are asking that Switzerland, as the protecting power, be advised that while such claims are under investigation and until the Swiss Government is advised to the contrary, we expect such refugees to be treated as U. S. citizens, with all the rights, privileges, and immunities to which such citizens are entitled.

(g) Joint Exchange Project

We have been urged by the World Jewish Congress to make a special joint effort, with Great Britain, to arrange still another exchange of Jews in German-occupied countries against German nationals in Allied countries. The WJC has indicated that the candidates for exchange which it proposes are some 3500 Jews holding Palestine immigration certificates and whose names have already been supplied by the British Government, through Switzerland as the protecting power, to the Government of Germany. Germany is said to have accepted this principle of exchange, but the lack of German candidates has prevented the exchange from materializing. The holders of these Palestine certificates are now interned in special camps and are in increasing danger of deportation as exchange arrangements are prolonged.

4. COOPERATION WITH THE INTERGOVERNMENTAL COMMITTEE

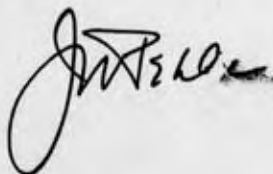
Discussions in Washington with Sir Herbert Emerson and Patric Malin of the Intergovernmental Committee have now

- 9 -

been concluded, complete agreement having been reached with regard to our respective fields of operation. Copies of an exchange of memoranda between the IGC and the Board are being sent to our representatives abroad, reinforcing a mutual desire for the closest cooperation between our respective staffs in attempts to alleviate the refugee problem.

5. PRESS CONFERENCES

During the past week two press conferences were held. In the first instance, Ira Hirschmann was interviewed on accomplishments in Turkey. At the second meeting, Sir Herbert Emerson and Patric Malin of the Intergovernmental Committee were presented and discussion dealt with the agreement reached between IGC and the Board.

A handwritten signature in dark ink, appearing to be 'J. W. L.', is located in the lower right quadrant of the page. The signature is written in a cursive, somewhat stylized script.

CABLE TO AMBASSADOR MacVRAGH AND MINISTER KINK, CAIRO, FROM STATE DEPARTMENT

Please refer to Department's circular airgram of January 26 in regard to the establishment of the War Refugee Board.

The Executive Director of the Board, John W. Pehle, has informed the Department that in conformity with the President's Order of January 22, the Board proposes to appoint Mr. Charles M. Joy, Acting Executive Director of the Unitarian Service Committee, as the Special Representative of the Board with the designation by the Department as Special Attache to both the Embassy and the Legation on war refugee matters. The Presidential order provides that the State Department shall appoint such Special Attaches on the recommendation of the Board, that they shall have diplomatic status and that their duties and responsibilities shall be defined by the Board in consultation with the State Department.

The Unitarian Service Committee has indicated that it has no objection to Mr. Joy's accepting this appointment.

If, after considering the matter, this appointment meets with the approval of both the Ambassador and the Minister, please advise us accordingly by telegram in order that his designation may be made effective at once. It is assumed that there will be no objection on the part of the Egyptian, Greek and Yugoslav Governments to this designation, although in their discretion the Ambassador may approach informally the Greek and Yugoslav authorities and the Minister the Egyptian authorities if this is considered necessary or advisable.

If Joy is appointed we propose to advise him that:

- (a) He is charged with the duty and responsibility of carrying out the Board's policies and programs in Egypt.
- (b) He is responsible to the Ambassador insofar as the Board's activities involve relations with the Greek and Yugoslav Governments and to the Minister insofar as the Board's activities involve relations with the Egyptian Government.
- (c) He should discuss his activities and problems regularly and fully with the Ambassador and Minister.
- (d) The legation will provide him with the necessary communication facilities in carrying on his official duties.
- (e) He should extend all possible assistance to both the Ambassador and Minister in carrying out instructions contained in the airgram referred to above.
- (f) He should work with and give all possible assistance to public and private agencies operating in Egypt in this field regardless of whether such organizations are American, foreign or international.

- 2 -

- (g) He should develop and assist in the development of programs and implementation of measures for the rescue, transportation, maintenance and relief of refugees.
- (h) He should forward to the Board recommendations and frequent reports on progress of work and difficulties encountered.
- (i) Insofar as the Trading with the enemy Act is concerned the Secretary of the Treasury has vested in the War Refugee Board and its representatives in the field full authority to communicate with enemy territory to carry out the purposes of the Order. The Secretary of the Treasury has also delegated to the War Refugee Board and its representatives the power to authorize any public or private agencies who may be subject to the provisions of our Trading with the enemy Act to communicate with enemy territory for the purpose of carrying out the Order. Joy is authorized to act accordingly upon confirmation of his designation by the Ambassador and Minister.

After receipt of confirmation of Joy's designation further detailed instructions will follow from time to time.

April 27, 1944
11:50 A.M.

JBF:bbk - 4/26/44

cc: WS

TELEGRAM SENT

HOC

This telegram must be paraphrased before being communicated to anyone other than a Government agency. (ER)

April 27, 1944

midnight

AMBASSY,
LONDON.

3399

FOR THE AMBASSADOR FROM THE WAR REFUGEE BOARD

Kindly transmit a paraphrase of the following message to Dr. Ignacy Schwarzbart, 45 Queens Court, London, W3:

QUOTE The War Refugee Board is giving the closest attention to the problem of the internees in Belsen-Bergen, Vittel, Titmoning, Compiagne and Liebenau. The missions of the United States Government in Spain and Switzerland have been instructed to request the Governments of Spain and Switzerland to advise the German authorities that the United States Government is giving active consideration to the treatment as exchange material of all internees in possession of Latin American passports. The cooperation of Latin American countries in this matter has also been sought. Nahum Goldmann, New York, World Jewish Congress. UNQUOTE.

HULL

(GLW) S/OR

MRB:GLW:KG BC ARA WE SWP

AIRGRAM

CONFIDENTIAL

FROM:
Tegucigalpa, Honduras.
No. A-165
Dated: April 27, 1944, 3p.m.
Rec'd: May 3 11 a.m.

SECSTATE
WASHINGTON

A-165, April 27, 3 p.m.

My A-163 of April 25, 5:30 p.m. concerning refugee children under sixteen years of age.

The Minister for Foreign Affairs informed me yesterday that President Carias appears willing for Honduras to receive a maximum of fifty (50) children, and that information as to the sex and age preferred may be supplied later. I gathered that some preference as to racial origin (which may possibly mean that Polish, French, or some other class of children would be more acceptable than Jews) might also be expressed. Acceptance of refugee children would be on the condition that all expenses of transportation and of maintenance be met by other than Honduran agencies.

Since Honduras has no diplomatic or consular representatives in Switzerland at the present time, perhaps the Department can suggest some practicable form of visa procedure.

Clarification on the following point would be helpful: are the children expected to remain in Honduras the rest of their lives, or would they be returned to their countries of origin after termination of the present war?

FAUST

711 80
JEF:MK

Transmitted via courier pouch closing 1:30 p.m., April 28, 1944.

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
 TO: AMCONSUL, Jerusalem,
 DATED: April 27, 1944
 NUMBER: 90

CONFIDENTIAL

FROM WAR REFUGEE BOARD FOR CONSUL GENERAL

Please deliver the following message from War
 Refugee Board to Rabbi Joseph Mishkowsky, Mekeor Chaim,
 Jerusalem:

QUOTE Necessary you immediately send influential
 outstanding delegate to Istanbul to cooperate with
 Griffel. Remitted 25,000 dollars under license 61745L-R
 to Jacob Griffel, Hotel Continental, Beyoglu for
 rescue. Sternbush also remitted to him 25,000 francs.
 Sternbush cables urgency procuring unlimited number
 of veteran certificates for Rabbis and religious
 leaders in grave danger in Hungary and Lithuania.
 Sternbush reports these certificates useful for
 internment privileges in occupied territories and for
 possibilities of exchange. Necessary you inform
 American Consulate names of your Vaad Hatzalah Committee
 and your activities to enable consulate to lend you
 every support possible. Vaad Hatzalah Emergency
 Committee, Rabbis Rosenberg, Silver, Levinson,
 Kotler, Kalmanowitz UNQUOTE

HULL

Mexico, D.F., April 27, 1944.

No. 17,235

Subject: Activities of the War Refugee Board and the Possibilities of Collaboration with it by the Mexican Government.

The Honorable
The Secretary of State,
Washington, D. C.

Sir:

I have the honor to refer to the Department's circular airgram of January 26, 7 p.m., informing this Embassy that the President had instructed the Secretaries of State, Treasury, and War to take action for the immediate rescue and relief of the Jews of Europe and other victims of enemy persecution. This Embassy has taken careful note of the Department's instruction. I have to refer to this Embassy's despatch No. 15,781, of February 8, 1944, in which we made a preliminary acknowledgment of the Department's instruction, as well as a preliminary report. I also have to refer to my despatch No. 16,011, of February 18, 1944, to the effect that the Department's instruction was discussed by the Embassy with the Foreign Office here. It will be recalled from this despatch that the Foreign Office informed this Embassy that, while Mexico is entirely in sympathy with the proposed activities of the War Refugee Board, it nevertheless cannot take any activity toward the transportation of refugees to this continent, as it has no transportation facilities available for this purpose nor can it assume any responsibility for the maintenance and care of such refugees in Mexico. The Foreign Office informed the Embassy that it is well known that Mexico is affording hospitality to large groups of Spanish refugees, as well as to large numbers of other refugees from Europe, many of them of the Jewish faith, in addition to cooperating in the settlement in Leon, Guanejuato, of approximately 1500 Polish refugees for the duration of the war.

- 2 -

This Embassy received in due course the Department's circular airgram of February 29, 7:30 p.m., instructing me to explore with the appropriate officials of the Foreign Office the possibility of Mexico's collaborating with the War Refugee Board through the issuance by the Mexican Government of a declaration of policy similar to that made by the President of the United States and by the issuance by the Foreign Office of instructions to its representatives in other countries comparable to the instructions contained in the Department's telegram of January 25.

In accord with this instruction, there was left with the Foreign Office a memorandum, No. 2461, of which a copy is transmitted herewith, on March 24, 1944, and the full purpose of the War Refugee Board and the policy of our government as expressed by President Roosevelt again set forth to the Foreign Office. We have had no further reaction of an official character from the Mexican Government beyond that already set forth in my despatch No. 16,011, of February 18, 1944.

In the meantime, this Embassy has received the Department's confidential circular airgram of April 15, 7 p.m., referring further to its circular airgram of January 26, 7 p.m., and to subsequent communications, and informing this Embassy that the Department has now authorized the consular officers in Switzerland to issue up to 4000 quota immigration visas to refugee children up to 16 years of age without regard to religion, nationality or stateless status. The Department states that the purpose of this authorization is to facilitate the escape to Switzerland of orphaned or abandoned children by giving assurances to the Swiss Government that these children will not remain in Switzerland after the termination of hostilities in Europe. The Department instructs me to approach the appropriate officials of the Mexican Government in order to inform that government of our action as set forth in our airgram under reference, and to request the Mexican Government to give assurance to the Swiss Government of its acceptance up to a fixed number of refugee children in a manner similar to that of our own government.

In this Embassy's airgram No. A-1348, of April 26, 11 a.m., I informed the Department that, although the attitude of the Mexican Government with respect to the reception of refugees has been fairly liberal, it is my opinion that the Mexican Government is not particularly interested in receiving any considerable number of refugees from Europe either during or after the war. I stated that I had gathered the impression through confidential conversations from time to time with high officials of the Mexican Government when I have discreetly explored this situation,

- 3 -

that this is the attitude of the Mexican Government. I therefore stated in my airgram that the probabilities were that the Mexican Government would not be willing to commit itself. I also stated that in order to secure anything like a favorable reception, it would be necessary to prepare the ground carefully in the Mexican Government and among the highest officials, and that I was taking the appropriate steps to this end.

I am sure it is not necessary for me to inform the Department of my deep interest in this refugee problem. The Department is aware that the circumstances of my service, both in the field and in the Department of State, have brought me in close contact with this problem. The Department is aware that from the very beginning of the Nazi regime when the persecution of Jews and others began on such a vast scale, I took a very determined stand with regard to such discriminations and persecutions and have constantly in my official capacity, done everything I could to further the steps taken by our government and other governments to alleviate the situation in which so many unfortunates found themselves. The Department will appreciate therefore that I view the initiative of the President as expressed in his executive order setting up the War Refugee Board with complete understanding and sympathy, and that I wish in my official and personal capacity to be as helpful in carrying through the objectives of the Board and of our government as may be possible.

As will have been apparent to the Department, however, from my despatches No. 15,781, of February 8; and 16,011, of February 14, only very limited collaboration can be expected from the Mexican Government in the refugee problem. Because of my deep interest in the refugee problem in general, I have not failed, during the more than two years that I have been in Mexico, to study the possibilities of Mexico's receiving refugees from Europe during and after the war. I have been in close touch not only with our official, but with our private organizations in the United States which are endeavoring to aid refugees. I have been in close touch with the problem of endeavoring to find places where such refugees may go and to this end I have not failed during the past two years to explore this situation in Mexico and I have regretfully had to come to the conclusion that Mexico is not likely to offer facilities of refuge for any considerable number of refugees during or after the war.

Mexico has a fairly homogeneous population and up to the present time there has been no evidence of racial discrimination. The Mexican Government has indicated consistently that it desires

this situation to continue. Although it has maintained a rather liberal attitude with respect to certain types of refugees, it has been receptive more particularly to refugees of Spanish origin. The Department is aware that from the beginnings of the Spanish Civil War, Mexico opened her doors very freely to refugees from Spain of all types of political opinion. She received refugees of the extreme Right and of the extreme Left. She received these refugees in very considerable number and placed practically no limitation upon those endeavoring to enter Mexico. She received practically all who desired to enter Mexico and who could find facilities for leaving Spain or who could secure shipping accommodations.

Mexico also received a certain number of refugees from other countries of Europe, including many Jews, and she made no discrimination with respect to race or religion among the refugees she received from other countries. Mexico, however, did exercise the same measure of prudence exercised by us in the issuance of visas to refugees and admitted only those physically fit and who had no criminal or other unfavorable record. The number of refugees from countries other than Spain, however, was kept within the very definite limits that they set by the issuance of visas of Mexican consular and diplomatic officials.

The whole record in recent years has shown that Mexico was more particularly interested in receiving refugees from Spain than from other countries of Europe.

More recently, the restrictions on Mexican diplomatic and consular officers have been so strict with respect to the issuance of visas that she has been receiving practically no refugees from any other country of Europe. The reason for this change of policy, even with respect to Spain, has been that the experience of the Mexican Government with a not inconsiderable part of these refugees has not been too satisfactory. So far as the Spanish refugees are concerned, they have in many respects shown themselves more adaptable to conditions in this country and have in many ways been able to incorporate themselves into the life of the country. Many of these refugees have been able to incorporate themselves into the business, professional, and working class of the country. Others, however, have made very little effort to incorporate themselves into the life of the country and have carried on political discussion and polemic within the country which from time to time has become a source of embarrassment and even concern to the Mexican Government. In a number of

- 5 -

cases various groups of Spanish refugees have brought a good deal of pressure on the Mexican Government, to the point of embarrassment.

Unfortunately, some of the refugees from other countries of Europe than Spain have not, through their conduct, favorably influenced the attitude of the Mexican public and the Mexican Government towards refugees in general. A good many of the refugees from countries other than Spain came with fair amounts of money and they have, in a measure, instead of starting new industries or new businesses, acquired an interest in or control of businesses already established in Mexico and in Mexican industry. I will revert to this a little later, but there is no doubt that the attitude of some of the refugees in Mexico has unfavorably influenced the Mexican public and this is reflected in the Mexican Government.

The Department is aware that the Mexican Government has been exercising a very strict control in general over the admission of aliens, especially if they come to work. The Department is aware that American citizens entering Mexico for the purpose of engaging in any gainful occupation, whether it be professional, business, or otherwise, must secure special authorization; and that this is granted with difficulty. In fact, the attitude of the Mexican Government in this respect is far from liberal and this applies to aliens of any nationality and without respect to race, religion, or political opinion.

With specific reference to Jewish immigration, it may be said that there is at present no discrimination against Jews in Mexico, although there is a fair number in the capital and in other industrial centers. The Jews who have come to Mexico in the last 20 years have engaged almost entirely in business and have remained in the urban centers. Some of them have become very wealthy and a few of them very powerful. Some of these have not used either their wealth or their power with complete understanding. It may be said, however, that up to this time there is no discrimination against Jews and it has been my observation that the Mexican Government does everything in its power to avoid any such problem arising. My own observation would lead me to the opinion that the Jews in Mexico, who are for the most part in comfortable circumstances, are not particularly anxious that there should be any considerable Jewish immigration accepted by the Mexican Government, for they fear that it would lead to an unfavorable attitude towards Jews in general already in the country.

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I have given the Department this background as it is necessary I believe to an understanding of the attitude of the Mexican Government. In addition to this, the Mexican Government does not believe that it is in need of any considerable immigration. The country has a population of 20,000,000, of which the overwhelming number live on a very low standard. The primary purpose of the Mexican Government is to improve and develop industry and to increase agricultural production. It believes that to do this it has adequate population and that its first obligation is to endeavor to provide a higher standard of living and more adequate employment for its present indigenous population. The attitude towards the reception of persons especially qualified for technical operation is likely to be liberalized, for such persons will be needed in the industrial and agricultural development of the country.

I have hesitated to take up with the Mexican Government directly, myself, the Department's confidential circular airgram of April 15 with regard to the granting of visas by Mexican diplomatic and consular officers in Switzerland to refugee children because I fear that the answer will be negative if the approach is made in this way at this time. I think there is a possibility that so far as refugee children are concerned under 16 years of age, it may be possible to get some degree of receptivity by the Mexican Government, although there are no organizations of any kind in Mexico which would be prepared to undertake the distribution and the care of these children within the country. Organizations such as we have in the United States and in some other countries which can handle a problem of this kind do not exist here. The fiscal problems which the Mexican Government already has to face and which it will increasingly have to face through the decrease in revenue which is certain to come with the end of the war will make it reluctant to accept any refugees.

Nevertheless, in order to explore this matter before making any informal approach, I had an informal and confidential and off-the-record conversation with the Minister of Foreign Relations, Dr. Padilla a few days ago. In this conversation I raised the question of the President's executive order and the formation of the War Refugee Board, and the hope of our government for the collaboration of other governments in this important humanitarian work. The Minister immediately referred to my memorandum No. 2461, of March 24 (copy enclosed) which he said he had given careful consideration and had discussed with the President. The Minister said that I was aware of the high humanitarian motives and actuation of the President of Mexico. The President and the Government of Mexico and he were aware of the

- 7 -

high humanitarian motives and actuation of President Roosevelt and of our government. He was sure that from the many conversations which I had had with him on similar matters, I had no doubt concerning his own understanding of these refugee problems and of his own desire to help as far as possible. He said that our memorandum, however, had raised a very real problem for the Mexican Government and he had not failed to discuss the matter fully with the President. He said that the Mexican Government, while it hoped to maintain its traditional policy of receptivity to immigrants and to those subject to political preoccupation and to refugees in general, was not in a position for the present to receive any further refugees. He called attention to the large number of Spanish refugees they had received during the Spanish Civil War and the problems which had been raised through the presence of some of these refugees in Mexico who, because of their racial affinity, should be easily assimilated. He called attention to the considerable number of refugees from other countries of Europe who had entered Mexico and he said that for the present the Mexican Government would not be in a position to make such a declaration as it had been invited to make, nor could it give any assurances that it was a position to receive any immigrants for the present or for the immediately foreseeable future. He indicated that any request for admission by any specific group of refugees from any country would have to be refused as the Mexican Government was not in a position, for reasons which my presence in the country must have made clear to me, to receive any for the present. The Minister said that he wished to make it clear that they were not closing their doors, but that the Mexican Government must adhere for the present to its policy of receiving only a very limited number of people and those always on the basis of specific instructions issued to their diplomatic and consular officers stationed abroad.

I could see that the Minister was very anxious to collaborate with us but that he was unable to say that his government could for the present do so. I could see that he was regretful because in every matter on which we have approached him for collaboration in the inter-American and in the wider world picture, the Government of Mexico has been collaborative to an unusual degree. It was quite clear, however, that so far as refugees are concerned, the Mexican Government is not in a position to collaborate for the present and for this reason I do not believe that it would be advisable for the War Refugee Board or for us in any way to urge any measures on the Mexican Government. I do not believe that any such efforts on our part or of the War Refugee Board would have any usefulness and I fear that they might have an unfavorable effect.

- 8 -

So far as the question raised in the Department's confidential circular airgram of April 15 is concerned, affecting children under 16 years of age, I have made no formal approach to the Mexican Government on this matter as I am confident from my knowledge of the situation here and from the remarks of the Minister of Foreign Relations and from the observations of the other officers of the Ministry, that the answer would be negative. I shall, however, endeavor in informal conversations with the Minister, to pursue this question of the objectives of the Refugee Board further and at my first opportunity I shall raise this question of refugee children.

I have written this long report on this matter to the Department as I believe the matter is of sufficient importance to warrant this full background and I have wanted it to be clear that if there is no response so far as Mexico is concerned, to the activities of the War Refugee Board, it is not because this Embassy has not foreseen the problem which has arisen and with which the Board wishes to deal, for during the past few years, I have endeavored in such ways as I properly and discreetly could, to develop a favorable attitude toward the reception of refugees.

Respectfully yours,

G. S. Messersmith

File 848-War Refugee Board
GSM/aw

To the Department in Original and 4 copies.

Enclosure:

Copy of Memorandum No. 2461 of March
24, 1944.

C O P Y

No. 2461

MEMORANDUM

It will be recalled that on February 11, there was left with the Official Mayor of the Ministry a personal memorandum respecting the establishment, on January 22, 1944, by an executive order of the President of the United States, of a so-called War Refugee Board to take immediate action for the rescue and relief of the Jews of Europe and other victims of enemy persecution.

The establishment of this board represents the determination of the Government of the United States effectually to carry out without delay the policy to take all possible measures for the speedy rescue and relief of the refugees in Europe. It is felt certain that this effort will not be unilateral, and it is desired to make clear that it continues to be the policy of the Government of the United States to encourage and participate in effective cooperative efforts with other governments. The board, of course, will cooperate with all interested international organizations.

While clarifying the position of the Government of the United States with respect to this entire problem, it is desired at the same time to express the hope for cooperative action upon the part of the Government of Mexico. It is thought that the action taken by the Government of the United States could be helpfully implemented through the issuance by the Government of Mexico of a declaration of policy similar to that made by the President of the United States.

Mexico, D.F., March 24, 1944.

A-327

SECRET BY COURIER

10:45 A.M.

SENT BY SECRET AIRGRAM

AMEMBASSY,

LIMA (PERU)

FOR THE PERSONAL AND CONFIDENTIAL INFORMATION OF THE AMBASSADOR.
Refer to your A-357 of April 10, and to Department's circular airgrams of March 31, 1:05 p.m., of April 11, 11 a.m. and of April 22, 7:30 p.m.

The Department has now been apprized that Papal Nuncio at Bern informed Minister Harrison that Vatican had attempted to work out relief measures for Jews holding Peruvian documents and interned by Germany. Apparently, the question of eventual immigration as result of possible exchange was raised in addition to the question of recognition of documents. Peru is reported to have replied that it could not (repeat not) recognize the passports in question, presumably because it was not (repeat not) prepared to permit persons in question actually to enter Peru.

At the time this reply is reported to have been given to Vatican, the assurance contained in our circular airgram of April 11 had evidently not (repeat not) yet reached Peruvian Government.

Please verify information received from Bern and reiterate this Government's assurance that, in the event of exchange, Peru will not (repeat not) be expected to grant physical admission to any of the persons concerned even on a temporary or tentative basis.

In the light of these assurances, please impress upon the Peruvian Government the extreme urgency with which this Government views the necessity of acting favorably without delay on proposals previously submitted and detailed in the airgrams under reference. 48 individuals were already lost due to adverse action by Peru. More sympathetic consideration promised to you according to your A-357, though much appreciated by this Government, will not (repeat not) save the remainder. You should impress upon Peruvian officials that since failure to take prompt and affirmative action would almost certainly spell death for the persons involved, and that since no (repeat no) responsibilities or obligations would result for Peru from acquiescence in our requests, we would be sorely disappointed if Peruvian authorities should not (repeat not) wholeheartedly cooperate with our efforts to save these people.

HULL

HULL

GLW

WEB:GLW:ED

ARA

SWP

4/27/44

CABLE TO BOMBAY, LISBON, FOR INFO

Reference your no. 1168, April 19, and no. 1183, April 20.
Following message is for Dexter from Peble:

"In connection with proposals of Weissman concerning rescue of hidden children from France through Spain to Portugal, you are requested immediately to contact Dr. Joseph Schwartz of the American Jewish Joint Distribution Committee who, as you know, is extremely competent and experienced in this field. You should take advantage of his knowledge and background in this particular program. Schwartz is already operating such a rescue program under appropriate Treasury license, text of which was cabled to Ambassador Korweh, permitting the necessary communication with persons in enemy territory as well as the necessary financial transactions. It should be noted that aside from its wide experience in this type of operation and adequate personnel the American Jewish Joint Distribution Committee has substantial funds available and has shown its willingness to cooperate wholeheartedly on all our rescue programs.

"It is appreciated that the problem of working with the various private organizations in Portugal cannot be resolved from this end. While it is, of course, our policy to work in harmony with all organizations, the Board feels that the program to rescue children from France would be greatly endangered if two organizations without coordination through you should be trying to rescue the same children with the possibility that fewer lives are saved. Since our main goal is to rescue the maximum number of children in the shortest possible time, we feel you should use your best judgment in utilizing all agencies in those ways that will best achieve our aim.

"The problem of where to send the children who are actually rescued should, of course, be determined after they have been saved and depends upon existing facilities at that time."

THIS IS WED CABLE TO LISBON NO. 8.

April 27, 1944

SI00 P.M.

Filelab 4/27/44

Lisbon

Dated April 27, 1944

Rec'd 9:52 a.m.

HCB-641

This telegram must be paraphrased before being communicated to anyone other than a Governmental agency. (SC-00)

Secretary of State

Washington,

1258, April 27, noon.

WEB 7.

Following message is from Philip Conard for War Refugee Board and American Friends Service Committee Philadelphia:

"On advice Embassy suggest you discuss timing Portuguese feeding project French children with War Refugee Board. Embassy has pending plans for refugee childrens admission here with which French project may interfere."

NORWEB

WFS

A-144

10:45 A.M.

SENT BY SECRET AIRGRAM

AMBRASSY

PORT-au-PRINCE (HAITI)

FOR THE PERSONAL AND CONFIDENTIAL INFORMATION OF THE AMBASSADOR.

Refer to your A-205 of April 12 and to Department's circular airgrams of March 31, 11:05 p.m., of April 11, 11:00 a.m. and of April 22, 7:30 p.m. The Department had prior to receipt of Embassy's A-214 April 18, been apprized that Papal Nuncio at Bern informed Minister Harrison that Vatican had attempted to work out relief measures for Jews holding Haitian documents and interned by Germany. Apparently, the question of eventual immigration as result of possible exchange was raised in addition to the question of recognition of documents. Haiti is reported to have replied that it could take no (repeat no) action, presumably because it was not (repeat not) prepared to permit persons in question actually to enter Haiti.

At the time this reply is reported to have been given to Vatican, the assurance contained in our circular airgram of April 11 had evidently not (repeat not) yet reached Haitian government.

Please verify information received from Bern and reiterate this Government's assurance that, in the event of exchange, Haiti will not (repeat not) be expected to grant physical admission to any of the persons concerned even on a temporary or tentative basis.

In the light of these assurances, please impress upon the Haitian Government the extreme urgency with which this Government views the necessity of acting favorably without delay on proposals previously submitted and detailed in the airgrams under reference. While appreciative of the sympathetic consideration promised to you by Foreign Minister according to your A-205 and your A-214, this Government believes that only prompt specific action along the lines suggested in our circular airgrams can save the people concerned. You should therefore impress upon Haitian officials that since failure to act would almost certainly spell death for the persons involved, and that since no (repeat no) responsibilities or obligations would result for Haiti from acquiescence in our requests, we would be sorely disappointed if Haitian authorities should not (repeat not) wholeheartedly cooperate with our efforts to save these people.

HULL

HULL

GLW

WEB:GLW:KB

ARA

4/27/44

ORIGINAL TEXT OF TELEGRAM SENT

339

FROM: Secretary of State, Washington,
TO: AMEMBASSY, MADRID,
DATED: April 27, 1944 SECRET
NUMBER: 1181

CABLE TO AMBASSADOR HAYES AT MADRID

Refer to Department's 992 of April 10, and 1397 of April 21. The Department has now been apprised that the Papal Nuncio at Bern informed Minister Harrison that Vatican had attempted to work out relief measures for Jews interned by Germany and holding Latin American documents. Apparently the question of eventual immigration to respective countries as result of possible exchange was raised in addition to the question of recognition of documentation. Presumably, this explains negative results of Vatican's efforts.

The Vatican did not (repeat not) give any assurances that in no (repeat no) event would the Latin American countries be expected physically to admit the persons concerned. In our despatches to our missions in Latin America, referred to in our 992 of April 10, we gave this assurances most emphatically and undertook to arrange for refuge elsewhere. We hope therefore to obtain Latin American consent to recognition and exchange.

The Department is communicating with Vatican also suggesting cooperation on the basis of our assurances to Latin Americans.

The above is for your information and to facilitate your efforts to carry out objectives outlined in our 992 of April 10.

It was further stated by Nuncio at Bern that Nuncio at Madrid had been requested to ask the Spanish Government to inform Spanish Ambassador at Berlin of gravity of peril of Polish Jews with Paraguayan documents and to insist that he urgently give them effective protection.

Please make similar representations on behalf of Jews and others with Paraguayan or any other Latin American documents, acting jointly with Papal Nuncio or on your own if joint action not (repeat not) immediately forthcoming.

Your attention is again drawn to urgency of the issue and to necessity that Department be promptly informed of the progress which you are making.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: AMLEGATION, Bern,
DATED: April 27, 1944
NUMBER: 1458

CONFIDENTIAL

FROM WAR REFUGEE BOARD TO HARRISON

Please deliver the following message to Adolph Fraudenberg, 41 Avenue de Champel, Geneva, from Leland Rex Robinson and Henry Lisper of the American Committee for Christian Refugees:

"Total remittances \$24,000 sent April 13 and 21 representing payments through June. Cable if any unblocking delays also explanation unblocked \$15,000 credit mentioned April 2 cable. No further remittances promised until July but expect continue \$8,000 monthly thereafter also making effort obtain some additional assistance meeting French budget. Accepting your judgment best disposition funds specifically approving budget cabled December 10 subject our ability remit adequate funds. Happy your cable April 24 confirms construction project."

THIS IS WEB BERN CABLE NO. 9

HULL

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: AMLEGATION, Bern
DATED: April 27, 1944
NUMBER: 1459

SECRET

FOR THE ATTENTION OF THE MINISTER AND McCLELLAND.

First paragraph of your telegram of April 12, 1944, no. 2315, is referred to herewith.

We desire clarification as to whether the Swiss Government's second approach to Laval will consist of formal requests for children or request that the children be allowed to go to Switzerland temporarily. In view of the non-objection of Pilet Gelas, the War Refugee Board is planning to request Eire and Portuguese Governments for parallel action and the above information is needed. The Swiss Government's proposed second approach obviously is within the framework of the original Intergovernmental Committee request for such action and therefore this Government desires it.

The War Refugee Board will welcome any additional suggestions you may have for expediting immigration from France of orphaned and abandoned children subject to enemy persecution.

For your information consular officers in Spain and Portugal have received instructions similar to those transmitted in the Department's no. 891 for issuance of 1,000 immigration visas. Governments of

Canada.....

- 2 -

Canada and Australia and appropriate other American Republics are being approached with the suggestion that they make similar offers to Swiss Government regarding children.

FORGOING IS WEB BERN CABLE NO. 5.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington,
TO: AMLEGATION, Bern
DATED: April 27, 1944
NUMBER: 1460

CONFIDENTIAL

FROM WAR REFUGEE BOARD TO HARRISON

Please deliver the following message from
Edward Cahill of the Unitarian Service Committee to
Noel Field, 12 Rue de Vieux College, Geneva:

"On recommendation Toscanini urge you
contact Mrs. Wally Piercy Silvahof, Berne"

THIS IS WEB BERN CABLE NO. 8

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington,
TO: AMLEGATION, Bern,
DATED: April 27, 1944.
NUMBER: 1461.

CONFIDENTIAL

FROM WAR REFUGEE BOARD TO HARRISON

Please deliver the following message to
Rene Berthelot, Wasserstrasse 14, Zurich, from
Frank Kingdon of the International Rescue and
Relief Committee:

"Sending you \$10,000 on License W-2138
according details communicated to you by American
Legation, Bern. Report back immediately through
Legation on activities and whether you have diffi-
culties financial or otherwise."

THIS IS WEB BERN CABLE NO. 7

HULL

MEMO-648

Bern

This telegram must be paraphrased before being communicated to anyone other than a Government Agency. (HR)

Dated April 27, 1944

Bevi'd 10:08 a.m.

Secretary of State,

Washington.

2677, April 27, 8 a.m.

Reliable sources state that the German authorities have been greatly dissatisfied with the Administration during the past six months of the anti-Jewish laws in Neo-Fascist Italy and have insisted with the Mussolini regime that the chaos in the Italian racial laws be replaced by an ordered system on the Nurnberg model and that Jewish problems in the future be handled in the approved Nazi manner. Source adds that the basis for carrying out this German order was provided at request for Neo-Fascist Cabinet meeting April 18 when a decree was issued establishing a "general office for racial problems" and Mussolini appointed Giovanni Preziosi as chief thereof. Preziosi pioneer of Italian racialism and a Neo-Fascist State Secretary has been active in the anti-Semitic and anti-Communist program of the Mussolini Government. He is now expected to raise the anti-Jewish campaign in Italy to the same level of intensity as the German inspired campaigns in Hungary, Slovakia and other satellite countries.

HARRISON

HR

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington,

TO: AMEMBASSY, Ankara,

DATED: April 27, 1944

NUMBER: 377

SECRET

FROM WAR REFUGEE BOARD TO AMBASSADOR STEINHARDT,
ANKARA, TURKEY.

This is WRB Cable to Ankara No. 31.

Please refer to your No. 725 of April 23 with respect to safe conduct for SS TARI. Your action is approved. However, for your information, the Joint Distribution Committee here has advised us that Barlas of Jewish agency can probably arrange for coastal schooners to convey refugees from Iskenderun to Haifa if voyage of TARI WREB to terminate at Iskenderun. Accordingly it is suggested that you take this matter up at once with Barlas in order to see if he can arrange transportation of refugees from Iskenderun to Haifa. If this can be done it may be advisable to arrange with Turks and Intercross to change route of SS TARI in order that German safe conduct may be obtained promptly.

HULL

CABLE TO AMBASSADOR HARRIMAN, MOSCOW

The War Refugee Board requests that you deliver the following message to Samuel Chobrutsky, Moscow Jewish Community, Spasoglinistchevsky #8, Moscow, U.S.S.R.:

QUOTE Our Vaad Hahatzala Emergency Committee Relief and Rescue Agency comprising Rabbinical and other Orthodox organizations interested in obtaining information regarding position of Jews, particularly of Jewish religious leaders and scholars, in territories freed by Russian Army with view to sending relief, if needed. We suggest you as head of Jewish community in Moscow present matter to your Government and request information regarding situation, need of and possibilities for giving relief. If plan feasible advisable invite several Rabbis join project. Inform us if you have complete list Rabbis and Yeshiva scholars. Advise us giving details by message to War Refugee Board, Washington, through American Embassy, Moscow, or through Soviet channels. Vaad Hahatzala Emergency Committee Rabbis Rosenberg, Silver, Levinson, Kotler, Kalmanovits, Grosowski UNQUOTE

April 27, 1944
12:40 P.M.

BAKvini:jp 4/25/44
LSE

APR 27 1944

Dear Averill:

The achievement of substantial agreement between the Russian and American technical experts on the basic principles for an International Monetary Fund is very gratifying. Your efforts in furthering this end have been most valuable and I wish to express my thanks for your help on this matter.

As you know, I appeared on Friday before the Congressional committee, where it was my impression that things proceeded favorably. Many of the press comments have also been very encouraging. The participation of the U.S.S.R. contributed greatly to the effectiveness of the announcement of the basic principles and has been given considerable prominence in the newspapers.

We are at present continuing discussions with the Soviet experts of the points raised by Mr. Molotov in his statement transmitted in your letter of April 20.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

The Honorable Averill Harriman,
American Ambassador,
Moscow, U.S.S.R.

DFR:sh
4/26/44

This telegram must be paraphrased before being communicated to anyone
SECRETARY OF STATE
APRIL 27, 1944

April 27, 1944
7 p.m.

US URGENT

DEPARTMENT OF STATE
DIVISION OF
COMMUNICATIONS
(AND RECORDS)

AMEMBANKOV,

MOSCOW.

1052

FOR THE AMBASSADOR

The Secretary of the Treasury has requested that I transmit the following cable to you.

QUOTE Refer to our cable no. 1614, April 25. We must have a definite response to the following questions: Will the U.S.S.R. Government send a delegation to a monetary conference at the end of May if the President issues the invitation? This matter is now before the President and we expect to call you on the telephone Saturday morning with the hope of receiving a "yes" or "no" answer to this question.

END -QUOTE.

HULL
(EGC)

MMA:EGC:ja
4/27/44

TELEGRAM SENT

QIV
 This telegram must be
 approved before being
 transmitted to anyone
 other than a Government
 Agency. (BR)
 US URGENT

April 27, 1944

8 a.m.

AMEMBASSY,

LONDON.

3890

FOR THE AMBASSADOR

The Secretary of the Treasury has requested that I
 transmit the following cable to you.

QUOTE Refer to our cable no. 3888, April 25. We must
 have a definite response to the following question:
 Will the British Government send a delegation to a
 monetary conference at the end of May if the Presi-
 dent issues the invitation? This matter is now
 before the President and we expect to call you on
 the telephone Saturday morning with the hope of
 receiving a "yes" or "no" answer to this question.
 END QUOTE

HULL
 (EGC)

FMA:EGC:ja
 4/27/44

NOT TO BE RE-TRANSMITTEDCOPY NO. 11SECRETOPTTEL No 133

Information received up to 10 a.m., 27th April, 1944.

1. NAVAL

Early 26th Carrier borne aircraft of Home Fleet attacked shipping off SODO, NORTH NORWAY. All four ships of southbound convoy and one escort damaged. No air opposition. 5 aircraft missing.

On 24th/25th Coastal forces south of LEGHORN destroyed four landing craft, three F-lighters and a tug. Coastal forces and aircraft attacked two destroyers same area and sank one of them.

2. MILITARY

BURMA. 25th. ARAKAN. Japanese forced evacuate positions 2 1/2 miles southwest LETWOLET.

IMPHAL Area. Japanese forced withdraw from village 11 miles north Imphal. Points 17 miles north northeast and 13 miles northwest IMPHAL reported clear of Japanese.

HUKANG VALLEY. Chinese advance continues in face of heavy artillery fire 19 miles east southeast SHADZUP.

3. AIR OPERATIONS

WESTERN FRONT. 26th. Of 509 U.S. heavy bombers despatched, 292 Fortresses attacking through cloud dropped 676 tons BRUNSWICK and 47 dropped 77 tons HANOVER. 5 escorting fighters missing. Medium and fighter bombers attacked objectives Northern France and Belgium including railway centres:

St. OMSLAIN	203 tons
LOUVAIN	122 tons
MANTES	136 tons

RIVERSBRIDGE, CHERBOURG Peninsula which was hit and military constructions. 24 Beaufighters (1 missing) attacked convoy of three 6-7,000 ton ships with eight escort vessels off BRISIAN ISLANDS. One large ship blew up, another was damaged and an escort vessel set on fire.

26th/27th. 1,045 aircraft despatched:

ESSEN	493 (7 missing)
SCHWEINFURT	226 (21 missing)
Goods Yards VILLNEUVE	
ST. GEORGES	217 (1 missing)
Intruders Sea mining, etc.	109 (2 missing).

At ESSEN marking good and built up area clearly visible by light of two explosions. At SCHWEINFURT and VILLNEUVE ST. GEORGES reports indicate very good concentration. Total about 37 German aircraft operated over Southern counties, mainly PORTSMOUTH area. One JU 88 destroyed. Public shelter hit PORTSMOUTH with at least 15 fatal casualties. Considerable property damage PORTCHESTER and one fatal casualty.

Regraded Unclassified