December 4, 1939.

MEMORANDUM FOR

THE UNDER SECRETARY OF STATE

Mr. van Zeeland's plan is on the whole good but I think misses the psychology which is necessary to success.

No. 5, for instance, suggests that a large number of relatively small settlement projects will be organized separately.

No. 6 suggests the same thing -- that the privileged companies will each organize small communities -- some agricultural, some semi-urban.

In other words the outline does not stimulate my imagination or that of the average individual in the civilized world to picture the huge rounded out project which could affect many millions of our fellow beings. Most people would regard it as a large series of small individual projects and would mentally miss out on the conception of the whole. For example, nothing is said about the possibility of one or two very large areas which would take hundreds of thousands of people through a course of years and develop a wholly new rounded civilization.

This is not the time, for example, to speak of small settlements organized on an agricultural or subsistence basis and other small settlements on a semi-urban industrial basis. The picture should be in terms of a million square miles occupied by a coordinated self-sustaining civilization -- some people on individual farms, others near them in small villages, still others devoting themselves to public works, still others in small manufacturing communities, but all of them an essential part of a complete coordinated picture. I could raise money on that far quicker than if I talked in terms of individual communities. In other words, over-all planning on an enormous scale is essential.
In items 7, 8, 9 and 10 too much emphasis is placed on strictly business basis for financing. Resettlement of large numbers of people cannot be put solely on a business basis. It is my judgment that 50% of the cost can properly be financed on a business basis but that the other 50% would have to be given -- not loaned -- in the form of gifts from governments and individuals.

Taking Mr. Van Zeeland's figure of $100,000,000, I would, as he does, make the first "tranche" $20,000,000--of which $10,000,000 would be given outright and the other $10,000,000 subscribed by the capitalist group.

Somebody has to breathe heart and ideals on a large scale into this whole subject if it is to be put into effect on a world-wide basis.

F. D. R.
December 1, 1939

My dear Mr. President:

Following the recent meeting of the officers of the Intergovernmental Committee on Political Refugees, I have had one long conversation and exchanged correspondence with M. van Zeeland, who, as you know, is the leading spirit in the refugee work at the present time in his capacity as President of the Coordinating Foundation. M. van Zeeland has elaborated a careful plan, has had numerous conferences at New York with persons who might wish to participate in assistance to refugees and is now leaving for Europe where he will confer with the leading personalities.

Before taking further steps or making definite commitments, M. van Zeeland is most anxious that I should obtain from you an indication that his plans meet with your general approval. He is most anxious to accord his plans with your views and intends, when the work is more advanced, to ask you to make a public statement in support of the Foundation’s approach to the solution of the refugee problem.

M. van Zeeland’s plan may be summarized in the following points:

(1) The problem should be approached on a non-sectarian, non-racial and non-discriminatory basis

The President,

The White House.
basis and the solution should benefit all refugees, irrespective of the cause of their migration.

(2) Infiltration, that is individual immigration, should be stimulated but it must be supplemented by large-scale settlement.

(3) Without detriment to what has already been accomplished in the way of exploring places of settlement, a fresh effort should be made to survey the existing undeveloped portions of the world with a view to their use for resettlement.

(4) The existing administrative facilities of the private organizations should be continued but brought under the general aegis of the Foundation which shall serve as the management in matters of settlement.

(5) When places have been adjudged feasible for settlement, the projects shall be organized in the form of privileged international companies.

(6) Under the privileged companies, settlement should be organized in part on agricultural, or subsistence, basis and in part on a semi-urban industrial basis.

(7) Financing should be done in the first instance by a central financial corporation which will have subsidiaries in the form of the various chartered companies.

(8) Financing should be done on a strictly business basis, that is, subscribers to the various projects should enter the field as investors not as dispensers of charity.

(9) All formulae to be adopted for raising money
money should be based upon the investment idea.

(10) For purposes of financing a sum of $100,000,000 should ultimately be subscribed. A first tranche should be subscribed by the capitalist group and should amount to approximately $20,000,000. When this amount has been subscribed, the President of the Foundation will be in a position to approach governments with regard to settlement projects. When agreement has been reached with governments regarding settlement projects the time will have come to appeal to the general public to complete the $100,000,000.

These are the broad lines of M. van Zeeland's plan. I shall not bother you with the subordinate details which have been worked out, particularly those of a financial nature, with great care, and discussed with leading financial personalities, both Jewish and non-Jewish, in New York and have met, I understand, with general approval in the financial community.

If you are in agreement that M. van Zeeland is working in the right direction I shall, if you concur, write him in general terms to that effect. He is of the opinion—and I am sure that it is the right one—that you should not be brought into the matter in any direct way whatsoever until the $20,000,000 has been subscribed by the capitalist group. When the stage has been reached where an appeal to the general public might be useful, M. van Zeeland will doubtless wish to have some public expression of support.

Faithfully yours,

[Signature]

Under Secretary
Secretary of Service--Rennie Smith
In re--"Friends of Europe" information Service
on Critical and scholarly examination

See-Cordell Hull folder-Drawer 1-1939