

Diary

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April 28, 1944
9:30 a.m.

GROUP

Present: Mr. D. W. Bell
Mr. White
Mr. Smith
Mr. Sullivan
Mr. O'Connell
Mr. Haas
Mr. C. S. Bell
Mr. Blough
Mrs. Klotz

H.M.JR: Charlie, if you have one or two deferments, I will do them as long as they are not like Mr. Ickes.

MR. C. S. BELL: Could I bring them in a little later?

H.M.JR: All right.

MR. C. S. BELL: You knew Mr. Gaer had resigned?

I thought you would be interested to know that the Civil Service Commission has lifted the age limit on Customs guards. It has been thirty-two years. For the duration of the war they have lifted the age limit entirely. Bill Johnson is satisfied. He wouldn't want that as a permanent thing after the war.

H.M.JR: I was surprised. At my father's birthday, he mentioned that he knew some appraiser in Customs from Wilson's administration. He kept the position up until he was ninety.

MR. C. S. BELL: That is a long way to go.

H.M.JR: Just here recently--

MR. C. S. BELL: Until he was ninety!

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(Mr. White enters the conference.)

H.M.JR: I thought I might look into one of those jobs myself.

MR. C. S. BELL: We can't do that now.

H.M.JR: Anything else?

MR. C. S. BELL: That is all, sir.

MR. D. W. BELL: I have nothing.

H.M.JR: You know, you have a fund of two or three billion and you don't even tell me whether it goes well or badly.

MR. D. W. BELL: It went well. I tell you on the telephone every day.

H.M.JR: But Harry White is worried about it.

Dan, how much did you get in?

MR. D. W. BELL: A billion, six. We will probably get another ten or fifteen million, between ninety-seven and ninety-eight percent of it outstanding.

H.M.JR: It is either Standard Statistics or Moody's which has a very interesting article on the necessary gold reserve.

MR. D. W. BELL: I read it; it is very good. It is the Outlook, put out by Standard and Poor.

H.M.JR: They say that neither Canada or England have any gold backing to their currency and get along very well.

MR. WHITE: They have just discovered that after twenty years.

MR. D. W. BELL: There also have been some articles in one or two papers. The real solution of this thing is to issue Federal Reserve Bank notes.

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H.M.JR: I haven't seen that.

MR. D. W. BELL: Just let it alone and let the newspapers and financial columnists decide the way it should be handled, and that will help us when we come to make a recommendation to the Congress.

MR. WHITE: Fifty years from now there won't be any country that has a required gold reserve for domestic purposes.

H.M.JR: That is not a fair argument, because I won't be here to answer you.

MR. WHITE: That is why I made it. I won't be here to have it defended, either. But that is the general trend. The war has just speeded it up, so I don't think anybody here should worry about the fact that our gold reserves are being reduced, except--

MR. D. W. BELL: Except we have restrictions on them, that is all. It is a little hard to get the restrictions removed.

H.M.JR: Harry, with this chair I get all my arguments on the bias!

Dan, how long will it take to make that ink for the Russians?

MR. D. W. BELL: I don't know. They are doing the best they can. The Russian was with Mr. Hall reading something and translating it at the same time. He asked Mr. Hall how long it would take, and Mr. Hall said it may take as long as a month. It depends on the difficulty we run into. But I don't think Hall told him definitely it would take a month.

H.M.JR: Did you tell him that I said a day or two?

MR. D. W. BELL: Yes, but it can't be done. It is a small order, and the factories won't take it and put it ahead of anything. In order to put it ahead, it will take WPB.

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H.M.JR: Do you mind if I call Hall?

MR. D. W. BELL: Yes, except I have taken care of it. He is going to have a meeting with the contractors today.

H.M.JR: If it is a question of putting it ahead of other orders, let's put it ahead.

MR. D. W. BELL: Let's wait and see what the contractors say today. They are here for a conference.

H.M.JR: This thing can be done. I don't care how long it takes to make up a batch of ink, but I would like to know. Are you going to see the contractors?

MR. D. W. BELL: No, Hall is going to have a conference with them today. I hope he does. We have met every deadline yet.

H.M.JR: I don't know why it can't be done in a day or two.

MR. D. W. BELL: You can't make a batch of ink in a day. There is varnish and everything else that goes along with it.

H.M.JR: You and I don't know how long it will take, Dan.

MR. D. W. BELL: That is right.

H.M.JR: Before I go home tonight, can I have a report?

MR. D. W. BELL: Yes.

H.M.JR: And you tell him, if you don't mind, that I would like to know why it can't be put ahead of all other orders. I am very serious about this thing.

MR. D. W. BELL: That will depend on WPB. We have our contacts there. They have been pretty good at helping us out.

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H.M.JR: If you want to get something done, that young fellow in Nelson's office--

MR. D. W. BELL: I don't know his name.

MR. SULLIVAN: Eddy Locke.

MR. D. W. BELL: They have been very helpful and cooperative on all of our stuff down there, paper and everything.

MR. WHITE: Maybe Charlie Bell ought to get the ink. He got the dining room in two months.

MR. SULLIVAN: Had lunch there the day before Christmas.

H.M.JR: Well, Mr. Dan Bell has taken this on, and I still say I want to know why it can't be done in twenty-four to forty-eight hours. You let me know.

MR. D. W. BELL: Yes.

H.M.JR: Harry, I have had no word from the President, no answer. That is that. Do you have anything?

MR. WHITE: Nothing, except in relation to the meetings you will have this morning. There was a Mr. Brown who came from London, assistant to Mr. Reed, who is the State Department appointee on that committee in London that corresponds to the Civil Affairs Committee here. He dropped in to say that there are some questions coming up there which they are not equipped to discuss, monetary questions and economic questions, and he wanted to know whether--he was speaking for his chief--he wanted to know whether Mr. Reed couldn't send telegrams here in case anything comes up and get an answer, or whether we couldn't give him our views in case we had any on any of the things. I told him, of course, that if he sent cables we would be glad to answer them.

H.M.JR: Who is this man?

MR. WHITE: His name is Brown. He used to be with the Lend-Lease people here, and as far as I know, still takes care of it. He is paid by FEA, but says he is under Mr. Reed.

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H.M.JR: Isn't Reed the former president of General Electric?

MR. WHITE: That is right.

H.M.JR: He is a Lend-Lease man.

MR. WHITE: He may have gone out there as that, but my understanding was that he was appointed, Brown claims, by the President, on this Board. Or at least he says he reports to the President. I don't know which.

H.M.JR: What is Brown's position?

MR. WHITE: He assists Reed.

H.M.JR: The first time anything comes out of that Board, I would like to handle that myself, with your help.

MR. WHITE: He says he sent a cable. We are looking to see if we got it.

H.M.JR: Did you hear what I said?

MR. WHITE: Yes, I did. I mentioned it because you are seeing McCloy.

H.M.JR: And I am going to see McCloy alone. I have certain reasons.

MR. WHITE: As soon as Glasser gets back, which will be soon, we are planning to send Taylor.

H.M.JR: I didn't hear that.

MR. WHITE: And we will call back Casaday. He has been quite sick.

H.M.JR: Before Taylor goes to England--who else is going with him?

MR. WHITE: Glendening, a young lad who will do most of the routine work. There are a great many routine jobs to be taken care of in the London office.

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(The Secretary reads communication from the President.)

(Discussion off the record.)

MR. WHITE: Has a copy gone to Hull directly?

H.M.JR: No, just to me.

MR. WHITE: You might want to send a photostat.

H.M.JR: Yes. (Dictates to Mrs. Klotz copy of letter for Mr. Hull.)

MR. WHITE: Do you want to add, "If you hear"--we haven't yet heard from London.

H.M.JR: Say, "As soon as we get a favorable response from London and Moscow we will proceed with your assistance."

MR. O'CONNELL: Doesn't Hull have a copy of our telegram to the President? Fred suggested that if he doesn't he wouldn't know very well what that letter meant.

MR. SMITH: You should send a copy along.

H.M.JR: Send a copy of what we sent the other night to Cordell.

Well, will somebody telegraph Ted Gamble to put off the Fifth War Loan?

MR. WHITE: It begins on the 5th of June?

MR. SMITH: Twelfth.

MR. WHITE: I think it may be good to have a date line to meet if you have a conference. And if you have to get out of town by a certain date, there may be some value.

H.M.JR: That may be the 20th of January. (Laughter)

I will tell you something which I have had in the back of my mind all the time, because several people around who

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are associated with me have been worried about the Fifth War Loan and this. While the war loan is on the newspapers always treat the Treasury extra nice because they are getting a lot of paid advertisements. So if these two things run simultaneously, you will certainly benefit by your conference through having it the same time, because during that time the newspapers lay off the Treasury entirely with criticism. It is unpatriotic to criticize while there is a loan on. Is that right?

MR. SMITH: Up to this time.

MR. D. W. BELL: Might it go the other way? Might they criticize the plan and thereby affect the war loan?

H.M.JR: I don't think so. There is too much advertising at stake.

MR. SMITH: You don't think the editors would let that stand in their way. We have a free press in this country.

H.M.JR: Please say it as though you meant it. (Laughter)

MR. WHITE: I read in the papers yesterday that Avery slipped out of the rear door of the office quietly. I am sure I read that.

MR. BLOUGH: That was the evening before at the end of business.

MR. WHITE: Then this morning I saw a picture of him being carried out.

MR. BLOUGH: The next morning he came back to his office and Wayne Taylor had to order him to be put out.

MR. WHITE: The remark about the free press reminded me of that.

H.M.JR: The Army says that the lack of preparation on the part of the Department of Justice and Commerce is just unbelievable. When they saw Wayne Taylor, he didn't know

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what it was. They put all the papers in his hand. He didn't have the faintest idea. Then when he took Carusi along, who certainly isn't much, he said he just couldn't believe they had gone into a situation like that so unprepared.

MR. WHITE: How could he have been prepared? Wasn't the decision made at the last minute?

H.M.JR: No. All right, Harry?

MR. WHITE: Yes, sir.

MR. BLOUGH: I have nothing.

H.M.JR: I got your memorandum in which you said that you prepared the memorandum so that Mr. Paul could study the post-war taxes.

MR. BLOUGH: Well, you asked Mr. Paul to work with us. He did.

H.M.JR: He did by asking you to prepare a memorandum on post-war taxes.

MR. BLOUGH: I wasn't quite fair to him, because I was trying to keep it down to a couple of sentences. We talked over an earlier draft, and on the basis of that we prepared this draft.

H.M.JR: The way it read was, "I have delivered to Mr. Paul, on his request, a memorandum on post-war taxes."

MR. BLOUGH: That is substantially true.

H.M.JR: Well, when do I get something out of it?

MR. BLOUGH: The purpose of that was to inform you what is going on. You can have it any time you want it.

H.M.JR: Is it hot?

MR. BLOUGH: No, I don't think so. I think you ought to be getting interested in the problem. I am sure you are

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interested, but from the point of view of action, it is something that ought to be going on, you ought to be thinking about in the course of the summer and fall. But there is nothing required this week or next month.

H.M.JR: How about having a meeting in the next month or so on post-war taxes?

MR. BLOUGH: I would like to think about that.

H.M.JR: Do you think along about June would be a good time?

MR. BLOUGH: Let's think about that; I don't know; I think about the middle of the Stabilization Conference--

MR. WHITE: Are you sure the trip is off?

MR. BLOUGH: The trip is off. Well, the bill is delayed. I can't go until the bill is through.

H.M.JR: This thing Mr. McConnell has been suggesting right straight along--I want to bring it up again. Do we want a committee of window dressing to advise the Treasury on post-war, or have you laid that?

MR. BLOUGH: I am not sure that the idea should be given up entirely. I don't think McConnell's idea is a good idea, because I think what he wants is a group of businessmen--I may be attributing motives which aren't there, but I think the result would be getting the Treasury into a position of either adopting and accepting the suggestions of a group of businessmen, or putting them in a position to sharp-shoot at the Treasury from the outside. I don't think that would be a good thing from the Administration's point of view.

On the other hand, there might be some value in getting a pretty representative committee covering a lot of ground, labor and agriculture, not just business, and also first-rate tax people. That is one of those things that should be embarked on, and you never quite know how it is coming out.

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H.M.JR: When Paul gets back I would like to talk to you fellows, because the thing that bothers me is, I think that all over the country there are groups being organized.

MR. BLOUGH: That is quite correct. I mentioned one in my memorandum yesterday.

H.M.JR: I finished every memorandum last night at eleven o'clock, so I am right up to date. There isn't a thing on my desk that I haven't cleared.

MR. WHITE: There is an alternative to an advisory committee, and that is the equivalent of a convention, but I don't know what you would call it. But set aside three days in which you would call men in, such as Roy just suggested, to spend three days in Washington and tell them what it is about ahead of time and be certain to have all shades of opinion so you could be on the outside getting all the various opinions, and let them spend the three days in discussing the tax program. I don't think that would put you in the position of being advised by any particular group or having to go counter to any particular group of advisers.

H.M.JR: I think in some way we could get a benefit out of the thing.

MR. BLOUGH: My own feeling is this, that before a post-war tax program is adopted, some official group in Washington, either the Congress or the Executive end, is going to make use of this committee technique or this alternative technique. I don't think it will be particularly helpful, but it is going to be done, and it seems to me the Treasury might get the credit for doing it.

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H.M.JR: That is the idea. Think about it.

MR. BLOUGH: Whether it ought to be done in the middle of the invasion is another question.

MR. D. W. BELL: Why not after Congress gets out of here for the summer?

H.M.JR: I didn't know they were going.

MR. BLOUGH: I wouldn't have it before that time.

H.M.JR: Which invasion are you referring to?

MR. BLOUGH: Not the Avery second front, but the European second front.

H.M.JR: I thought you meant the invasion of the Ministers of Finance.

MR. BLOUGH: Oh, that invasion!

H.M.JR: Will you keep thinking about it and talk with Paul, please?

MR. BLOUGH: Yes, indeed.

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H.M.JR: George?

MR. HAAS: I haven't anything this morning.

H.M.JR: Are you looking into sewers, and things?

MR. HAAS: I sent a man over with a good nose to see if he could smell anything.

H.M.JR: Fred, did you get that press release fixed up with Mr. Mack?

MR. SMITH: Yes, that is all done and out. There is the letter to Stimson that you asked for last night. (Hands draft of letter to Mr. Stimson to the Secretary)

H.M.JR: Do you mind if I give this to Charlie Bell to make it a little more official? If you get it back to me by two o'clock, please - it is "Dear Harry," instead of "Dear Henry." You don't care?

MR. SMITH: Certainly not.

H.M.JR: I don't want to make it quite so personal, but more official. Just a little dash of red tape in it.

MR. SMITH: That is all.

MR. O'CONNELL: The earlier references here to Montgomery Ward and the free press and advertising reminds me of something that I think had better be discussed when John Sullivan is here, but I ought to mention it. Montgomery Ward, in particular, for some period of time, has been spending substantial sums of money in advertisement in which the theme of the advertisement is that the War Labor Board and the President and the Administration are all a bunch of so-and-so's. And the Treasury's interest, it seems to me, is a reasonable type of advertising which will be deducted as a business expense for tax purposes. I read yesterday a legal memorandum which was written when Lloyd Garrison of the War Labor

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Board raised a similar question with us some months back in connection with their earlier ads. The legal memorandum is one of those things which says if they have a reasonable basis for doing it, it is deductible, and if they haven't, they don't. So the legal memorandum doesn't help in determining the result. It seems to me the question is one of policy.

H.M.JR: Just as a matter of horse sense, if it isn't legal, I would forget it, because if we say now they can't do it, and that hits the press, and they are going to lose that business, it would be most unfortunate. Am I right, Fred?

MR. SMITH: Definitely right.

MR. O'CONNELL: I would feel less uncomfortable about it if the Bureau of Internal Revenue had not disallowed, as an advertising expense, the reprint of some liberal editorials from "PM", and The Nation and other magazines, which were inserted by a relatively small company up in Philadelphia, apparently, because we got a letter from Stam indicating the Chairman of the Ways and Means Committee was wondering whether this was a reasonable business expense. The Bureau of Internal Revenue said it wasn't, and indicated they are going to disallow that kind of advertising. I have a little difficulty seeing why one should be allowed and the other disallowed. It may very well be in the hands of an agent, now.

I am not suggesting we should make a big issue of it, but there is a general problem of how you are going to treat what type of advertising expense. It seems to me that the two cases illustrate a very diametrically opposite view in the Bureau.

I can't see how you can allow Montgomery Ward to advertise criticizing the Government, and disallow an advertisement which is a reprint of an editorial on a reasonably high level, and such disallowance, apparently, because the Chairman of the Ways and Means thinks it is communistic.

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H.M.JR: You say your interpretation of Lloyd Garrison's memorandum is neither fish nor fowl?

MR. O'CONNELL: That is right.

H.M.JR: He is not calling for help?

MR. O'CONNELL: Oh, no. I raised this only because in yesterday's paper there was another batch of advertisements.

H.M.JR: If it is on a policy level, I say forget it, because it would hurt the Government's cause if at this time we said Montgomery Ward can't spend the money. In the first place, they can't spend it as of today because Wayne Taylor is spending it.

MR. O'CONNELL: From yesterday on. That is right. I wasn't suggesting we should do something today, but I think there is a general problem.

H.M.JR: But if, as of today this is so forth, and the newspapers can't be paid for this advertising, it certainly would hurt the Government's cause.

MR. WHITE: I gather his point is that you postpone it, but not forget it.

MR. D.W. BELL: I would say, don't raise the question unless it is presented to you. Let it go until the tax returns are filed, which will be next year.

H.M.JR: It would be most unfortunate from the Government's side now to raise it.

MR. WHITE: No doubt about that, but it might be appropriate to raise it sometime in the future.

MR. O'CONNELL: There is more involved in this situation than Montgomery Ward. The other case which I described was handled in an entirely arbitrary fashion several months ago.

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The only reason we have been getting away with it in the Bureau is when they send in a complaining telegram, we send it back to the Bureau and they get a letter from the Bureau giving them the run-around - that it will be handled in due course.

MR. BLOUGH: Are you sure it was disallowed?

MR. O'CONNELL: To the extent that in answer to Stam's letter the Bureau of Internal Revenue told him it was not deductible as a business expense, and three months after that they write to the company in answer to a complaining telegram about the persecution, and they say, "Well, we will consider it," and indicated in the letter that they had not decided the question, although three months before that they wrote to Colin Stam and said, "This type of advertising is not deductible as a business expense."

The ad was a reprint of a favorable article about Russia from "PM" and they disallowed the whole chain of advertisements of that sort. I don't see any basis for disallowing that one and allowing the others.

MR. SMITH: Isn't the denominator whether or not they spent money before? If they had spent a lot of money before, it would help that to be disallowed.

H.M.JR: Now, let me--

MR. O'CONNELL: They didn't know anything about how much money the company was spending when they told them it was not deductible, and when they do find out about it, they find it was about ten percent of what it was two and three years ago.

Anyway, I have had my say.

H.M.JR: Now, let me ask you this. Have you been confirmed yet?

MR. O'CONNELL: The Senate Finance Committee reported yesterday.

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H.M.JR: Can I do anything to help?

MR. O'CONNELL: I think everything is all right. The other two names that went down are also reported.

H.M.JR: Will you let me know?

MR. O'CONNELL: Sure.

H.M.JR: Now, where is the Treasury Appropriations Bill? Has it passed the Senate and House?

MR. C.S. BELL: I haven't been following that.

MR. D.W. BELL: I think it was signed by the President about last week.

H.M.JR: You mean it has passed Congress?

MR. D.W. BELL: I am not sure, but I think I read it in the paper.

H.M.JR: It is not very important, but if it has not passed Congress would you let me know?

MR. D.W. BELL: Yes.

H.M.JR: One other thing bothers me a little bit. You sent me a very good summary of the deferments of the Treasury, but there are several people under twenty-six who had deferments, where the Board had acted on their own.

MR. C.S. BELL: Yes, sir.

H.M.JR: If somebody wanted to analyze the Treasury and they saw these men - I think one under twenty-one, if I remember - certainly some under twenty-six - I would get blamed for it even though it was purely on the part of the local board.

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MR. D.W. BELL: Haven't we written those boards and told them we are not deferring those men?

MR. C.S. BELL: The third time. Our record is good on that. We have written all of them.

H.M.JR: That is all I wanted to know.

MR. C.S. BELL: There was only one twenty-five years old; nobody twenty-one.

H.M.JR: You don't know what he did?

MR. C.S. BELL: Yes, sir, he was a plate printer, Bureau of Engraving and Printing.

H.M.JR: Just so all of you know. That is the purpose of these meetings. This Mr. Olrich is coming and will be here Wednesday to start, and the thought is that we will sort of split - this is particularly for Charlie Bell - this Procurement. I wish you would make a note to get him in yourself and show him how this division should be made before he comes in here. I told Cliff Mack this morning he should be fixed up with an office over there. I wish you would get into this for me, and keep Sullivan posted. I want the place ready when the man comes. Look into this. It is a straight administrative matter, how this thing is going to be divided. My thought is that I want him to operate on the disposal, but let Cliff Mack service him, do you see? Have you been in on this?

MR. C.S. BELL: To some extent, and Cliff has been in two or three times.

H.M.JR: I wish you would really get into it.

MR. C.S. BELL: Cliff is to be service and some operation; this man is to actually dispose of the property and do the negotiating.

H.M.JR: That is right. But Cliff is to continue to have charge of all the buying. This man is simply to do the selling, but to be serviced - do you see?

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MR. C.S. BELL: I understand.

H.M.JR: That is the way I have it in mind, but naturally, it is up to him when he comes in.

MR. O'CONNELL: May I say something on that subject? Something led me to believe that you rather wanted Tom Lynch, not on the administrative end, but for other purposes, to work fairly closely with the new man coming in. Do you recall that Harry raised some question about whether a man coming in from outside would have sufficiently the Government point of view and you, as I understood it, indicated that since Lynch was working on these various Procurement and surplus property problems, it would be well to have him tie in fairly closely with him. Is that still the rule?

H.M.JR: I think at the beginning people from my own office like yourself and Charlie Bell should be here to advise the man, and I take it Lynch is Assistant General Counsel, and he should be available to advise him, yes.

MR. D.W. BELL: Who is the lawyer down there?

MR. O'CONNELL: Thurman Hill is the Chief Counsel; Tom Davis is the Assistant Chief Counsel. Lynch is in charge of Procurement.

H.M.JR: That is all right. In the beginning I expect to give it enough time, myself, to see that the man gets off to a good start. I mean, there is a chance there to do a swell job.

MR. D.W. BELL: To report to you through Sullivan, or directly?

H.M.JR: He is going to report directly to me.

MR. D.W. BELL: Splits it entirely.

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H.M.JR: I have had it all out with Sullivan and Sullivan made the suggestion himself. Outside we won't talk about it, but inside the understanding is - and Sullivan understands and suggested it - that the man works directly with me. But we want to get him off to a good start. And Fred, he ought to have a good man on the press there.

MR. SMITH: He should.

H.M.JR: ...who does nothing but that. Will you have that in mind?

MR. SMITH: Yes.

H.M.JR: And you ought to think of somebody you can loan to White during this conference, too.

MR. WHITE: Well, we are discussing that. He is making such arrangements.

Does this suggestion have any merit? I am wondering if, for the first couple of months, you could have this man attend the staff meetings and tell him it is just for the first couple of months? I think there is something to be gained by his getting the flavor of your administration, and of the men, and give him an opportunity, possibly, also to talk, and give you an opportunity to know the man better than you would just when he is talking business. It needn't be perpetuated, but I think there is something substantially to be gained in bringing him closer to your organization than is possible when you take a man and he never touches the rest of the Treasury.

H.M.JR: Mr. White, I consider that one of the greatest compliments I have received in a long time.

MR. WHITE: That is interesting, because I didn't intend it as such.

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H.M.JR: But you feel these meetings are so valuable somebody could get something out of them. Thank you.

Mr. White and I are both in good humor this morning. We have every reason to be, and seriously now, I feel that White has done practically the impossible by bringing the thing as far along as he has up to this point. And he deserves all the credit that is around for what he has done.

MR. WHITE: And the Treasury staff, because there have been a number of men who have worked just as closely on it as I have myself.

H.M.JR: It is an amazing achievement.

All right. Class is adjourned.

APR 28 1944

Dear Harry:

The War Department has been most cooperative in making available to the Treasury Department for the past several months the services of Sergeant Paul Dudley to assist in the preparation of broadcasts for our War Bond drives. Sergeant Dudley has exceptional talent in this field, and his contribution has been most valuable.

Our Fifth War Loan drive will commence in June, and I had hoped to introduce a new radio approach on bond sales. In contemplation of this, arrangements had been made for Sergeant Dudley to be assigned to us on a full-time basis rather than on a part-time basis, and plans are already under way which will have to be sacrificed unless we can depend upon his assistance.

I have just learned that Sergeant Dudley has been ordered to report back to his Army station at Yale University, apparently in accordance with the regular policy of curtailing outside assignments for service men. It would be of incalculable help to me and to our coming drive to have the benefit of his talent until July 1, and if you are able to grant this request I shall be most grateful.

Sincerely,

(Signed) Henry Morgenthau, Jr.

Honorable Henry L. Stimson,
Secretary of War,
Pentagon Building,
Arlington, Virginia.

CSS:am
4-28-44

April 28, 1944
10:45 a.m.

NEGOTIATIONS WITH THE DUTCH

Present: Mr. Bernstein
Mr. Taylor
Mr. Luxford
Mr. O'Connell
Mr. White

H.M.JR: What I thought we would do is send a telegram down to the President on the Netherlands alone, reviewing the matter for him and simply say, "My own feeling is that I should tell Jesse Jones, with your approval, that we don't want to make any loan."

I want to have you gentlemen prepare a cable for me which I can get off tonight to the President. Miss Chauncey will lend you my file. Can you have that ready by then?

MR. WHITE: Yes, we can have that ready.

H.M.JR: I would simply say to the President, "Reviewing the facts for you, Jones has written me this letter," and so forth - "My recommendation to you is that we tell Mr. Jones it is an Administrational policy that at this time we don't want to make any post-war loans. If this meets with your approval, will you please advise me and I will so inform Mr. Jones."

MR. WHITE: You wouldn't want to give the President any reasons?

MR. LUXFORD: Can you say it was politically unwise, that Congress is very jealous of that and stay out of their field?

- 2 -

H.M.JR: "And between now and November, my recommendation is that we don't make any commitments on post-war loans."

MR. LUXFORD: Yes.

H.M.JR: "...that I think it is politically unwise."

MR. WHITE: Did you happen to have a chance to read Van den Broek's letter?

H.M.JR: Yes, I did, last night.

MR. WHITE: There were two threats in there that were not very subtle.

H.M.JR: What did he threaten us?

MR. WHITE: Well, one; "If you don't make this loan we will do our business in England and get credits from England. Secondly, we may even have to do our business with Germany," neither of which is true, incidentally.

MR. LUXFORD: You see, we are forcing the Occupied Countries to begin dealing with Germany much sooner.

MR. O'CONNELL: That is a bridge to cross when you get to it.

MR. WHITE: You are going to send that letter along with Jones' letter?

H.M.JR: I want to send it in the form of a telegram. I want to boil it down.

MR. WHITE: You are not going to send Jones' letter?

H.M.JR: No, no, just excerpts. The President is resting. The whole thing is simply to say he has had this request and Jones had forwarded it to me and asked me, and I want to tell Jones no, for the following reasons, provided I know that you are in sympathy with this thing.

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MR. LUXFORD: You can say that we don't like the threatening vein of the Dutch letter.

H.M.JR: Yes, it might be good, because if we lose out on this thing, the President ought to have some knowledge of the threat that they are making, because this other thing may come up. Which is the most important?

MR. WHITE: The one which Dean Acheson is going to press most.

H.M.JR: Get it to the President that they threatened us. And I wouldn't say "November," I would say, "...for the rest of this year I think it is unwise." Don't say "November."

MR. WHITE: There is just one question relating to that. Secretary Jones asked you for your view. I don't understand why he needs your approval. Is there something that we don't know in this?

H.M.JR: No, he takes it for granted that as the chief fiscal officer, he does need my approval.

MR. WHITE: Even though it is not legally required, he feels he better get it?

H.M.JR: Sure.

MR. WHITE: The matter which I think Acheson will bring up first, or at least which requires most attention from his point of view, is the arrangements to be made between the United States, Belgium, and Holland and Norway with respect to current payment for the currency which they are going to turn over to us. He is going to make the following argument, among others; that we are asking those countries to pay cash for civilian goods which we export to those countries, even though they are distributed by the Army, which is the position we have taken, if they have money.

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H.M.JR: You mean to be distributed in their country? When?

MR. WHITE: After the Army gets in - right after the Army gets in, before UNRRA begins to operate, or even thereafter.

H.M.JR: We don't do that in Italy.

MR. WHITE: We paid in lira in Italy. That was the discussion we had with Currie as to how to convert that lira. And if Italy had cash, dollars, we are proposing to make them pay dollars.

H.M.JR: Yes, the stuff is sold in Italy, most of it - not all of it. That is the theory. In fact, the latest figures which you have, Bill, show they have received, up to date, how many lira?

MR. TAYLOR: They received about seven hundred and fifty thousand dollars at the present time.

MR. WHITE: Out of sales of over twenty-one million dollars. Now, General Hildring said before a Committee on the Hill about two or three weeks ago that we are getting paid for about ninety-five percent of the goods we distribute. The facts are what - about seven hundred thousand out of twenty-one million?

H.M.JR: He had his percentage mixed up. He meant we were giving away ninety-five percent.

MR. O'CONNELL: They are getting paid something!

MR. TAYLOR: He mentioned the twenty-one million dollars and the fact we had received payment for about ninety-five percent.

MR. WHITE: Our figures, reported to us by the Army--

H.M.JR: He was confused.

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MR. TAYLOR: Very much so.

MR. WHITE: So that Dean Acheson will say that we are asking them to pay for this stuff and at the same time we are asking them to give us this currency and postpone the final settlement.

Now, we have what we think is a reasonable answer to that, if you want that suggestion.

H.M.JR: But make it terse.

MR. WHITE: We say this, that the question of civilian imports, not armaments, but civilian imports into those countries, and civilian exports out of those countries are matters of trade and are settled on a cash basis.

If they were matters of relief, we would give it to them. Those are quite distinct from costs connected with invasion.

We take the position that the costs connected with invasion include monies turned over to the troops, and so forth, and the final settlement of that is - which is your position - to be adjusted by the President or some other appropriate Commission later.

(The Secretary holds an unrecorded telephone conversation)

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MR. WHITE: Now, there is another aspect of this that I think you should know and that is the Lend-Lease arrangements which the State Department have consummated with these countries in which they have said that these countries shall give them reciprocal aid consisting of such goods and services as are local - which do not have to be imported, or do not result in imports.

They claim that by leaving out, under the category of reciprocal aid, pay of troops, the implication was that we would pay cash for whatever sums we needed to pay our troops. That is another argument of theirs.

Now, the lawyers said at the time, and they say now, too, that is not at all necessarily so and we shouldn't be bound by that.

H.M.JR: Let me make a suggestion. I don't understand enough about this thing. I can listen, but this group - somebody here - should draft a cablegram from me to Eisenhower in which we say that this is the position that I have been taking, because I think it is in the best interests of the American taxpayer. "Now, I also keep in mind that military necessity comes first, and I want to feel that what I am doing in no way interferes with your military plans. I also would like to feel that what I am doing will have your support and approval."

I want to cut right through to Eisenhower for more reasons than one. The Army cannot refuse to send this telegram. He most likely doesn't know. He is surrounded by a lot of ex-bankers and idle American bankers over there, and I want him to know.

MR. WHITE: I tell you what I think will happen if you do that. In the first place, the Army has said they are not concerned with this, but Eisenhower will turn it over to Holmes.

H.M.JR: Holmes isn't there.

MR. WHITE: Yes, he is. He was sent there and he is on the job.

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H.M.JR: Are you sure?

MR. LUXFORD: We will be licked if you do that.

MR. TAYLOR: General Eisenhower has informed us in a cable already that he has no interest in the terms of the financial agreement. His only interest is in getting the currency.

MR. WHITE: Now, a cable to the President, that is different. It should be the President's decision. In other words, are you going to make the decision, or are you going to approve a decision being made that might result in hundreds of millions of dollars one way or another--

H.M.JR: Why don't we do this, because they are tied up together - why don't we send the President a cable and say, "This is the situation as at present. I am standing by this thing. The position is this - I have fought this thing - I am going back to this memorandum of yours of such-and-such a date - if you give me the authority - the State Department doesn't like it," and so forth and so on, "and I am going to continue to take this position because I feel that I am carrying out your wishes. The Army's attitude is that this is my job, it is up to me to carry it out. And I am going to continue to do this thing just as long as I don't hear from you to the contrary."

MR. WHITE: I think that is the way it has to be handled. Now, will you tell the State Department that is what you are going to do?

MR. LUXFORD: The same as we did before. You ought to let State write their part and we write our part.

H.M.JR: No.

MR. WHITE: What will you tell Dean?

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H.M.JR: I don't know what I am going to tell Dean. As a matter of fact, I don't have to go back to the President. Let me hear Dean's story.

MR.WHITE: All right. You know enough now of the background so when Dean talks--

H.M.JR: I know enough. Let us decide after I have heard Dean. I will not give anything away. I may not even go back to the President. He has told me once, "Well, for God's sake, Henry, what do you keep coming to me for? I told you once!"

I am simply going to say, "I am going to carry this out. If you say to me you are not satisfied - I am going to decide these matters as fiscal matters - all right, this is what I believe:"--

MR. WHITE: Only one change has taken place which may lead you to change. In that memorandum we said we thought it would be acceptable to the Governments, because Belgium and Norway had so indicated to us. They are now, all three of them, rallying around Holland. They know, particularly, that the State Department is with them, and they are objecting. That changes the situation.

H.M.JR: Well, let me listen to Dean. I have my sailing orders from the President. The President seems to like what I am doing. Let's listen to Dean.

MR. WHITE: Right.

H.M.JR: Let's stop here. I have certain reasons.

MR. WHITE: Then the other things you will have a chance to take up?

H.M.JR: If I am ready before one o'clock, I will send for you fellows. I particularly want that Argentine thing.

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MR. WHITE: If you are not ready, maybe you would take up the whole lunch with Dean discussing this and not go on to the other matters, because we would like to discuss them before.

MR. LUXFORD: You mean your indictment on Argentina?

H.M.JR: Yes. .

MR. LUXFORD: It is being typed right now.

SECRET

April 28, 1944

For your informationMEMORANDUM FOR THE SECRETARY'S FILES

Messrs. Acheson, Collado, White, and Luxford had lunch with Secretary Morgenthau today.

Secretary Morgenthau opened the conference by stating that the President had approved of our going forward with the Monetary Conference, provided, of course, that Russia and the British go along. The discussion then turned to the selection of the American Delegation. Among the names mentioned for the Congressional participants were Senators Wagner, Barkley, Taft, Vandenberg, and White, and Congressmen Spence, Voorhis, and Joe Baldwin. It was agreed that probably the tactics would be for a list of Congressmen to be furnished to the President, who in turn would suggest that the Secretary clear with Rayburn and Barkley informally sounding out those selected by the President in their order of choice. It was also agreed that among the other Delegates would be, of course, Secretary Morgenthau, Mr. Acheson, Mr. White, Will Clayton, Eccles (or Szymczak), some banker probably Mr. Brown, who is President of the First National of Chicago, or the Chairman of the Board of the Guaranty Trust Company. Acheson indicated there would be some difficulty in his being able to get away. The Secretary stated he felt very strongly that Mr. Acheson should be a Delegate.

The Secretary then turned to the subject of Argentina and stated that he felt that he had a definite responsibility to recommend the immediate freezing of Argentina. He said that what he had in mind in the way of freezing was along the line that was agreed upon between State and Treasury last January. Acheson stated that he did not think there would be too great difficulty, provided that the freeze did not get into the trade picture and into Marvin Jones' arrangement with the British, because Secretary Hull had been turned down

- 2 -

twice on trying to get the Food Board to cooperate. Secretary Morgenthau stated that this could be left an open question under the proposed January freezing program and that we could deal with the matter when it came up. Acheson was quite insistent that we should not interfere with the food picture. Nevertheless, Acheson was not too hostile and the Secretary advised him that he was leaving it to Acheson to get a yes or no answer from the State Department and that he was hopeful that it would be possible for State and Treasury to make a joint recommendation to the President and to avoid the necessity for conflicting recommendations.

Mr. White then reported briefly on the status of the Dewey Bill and indicated that it was our present intention to make a formal appearance at the hearings some time in the near future to clarify some of the more obvious misstatements that had been made in the course of the hearings without getting into an extended discussion of the stabilization fund. Acheson stated that this was entirely agreeable to them and indicated that they would cooperate with us.

Mr. Acheson stated that he then wanted to discuss the proposed currency agreements with the Netherlands, Belgium, and Norway. He then recited the difficulties that were being encountered as a result of our insisting that we would not furnish dollar exchange to cover troop pay. He suggested that under the reciprocal aid agreements there was some kind of an obligation on our part to cover the pay of troops. Mr. Luxford pointed out that he did not understand the reciprocal aid agreements to impose any obligation on the United States with respect to these items, and Messrs. Acheson and Collado agreed. Acheson then emphasized that we were insisting that the exiled governments pay us in dollars for civilian relief and that accordingly it was most difficult for us to be refusing to pay the exiled governments on such an item as troop pay. It was made clear to Mr. Acheson that while this Government was insisting on the exiled governments paying cash for civilian imports into such territories, we were at the same time stipulating in the financial agreement that we would pay cash for civilian exports from such countries, so that there was in fact mutuality on this problem of civilian goods. Acheson also argued that our insistence upon not paying dollars to cover troop pay involved political questions with the

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refugee governments for the State Department, since they were arguing that we were treating them worse than we treated Great Britain, Australia, North Africa, etc., where we in fact did provide dollars to cover our troops pay. Secretary Morgenthau stated that he would like to defer judgment on this problem. He said that if he had to make a decision immediately, he would be inclined to adhere to the Treasury's present position but that he wanted to reconsider the matter carefully before making a final judgment. He then told Acheson in a joking manner that he might feel a little more sympathetic to this proposition if State would agree to freezing Argentina. Acheson responded that he was "not above that kind of a deal." Mr. White interposed that he thought it should be both Argentina and Sweden, but this point was not pressed.

Throughout the conference the atmosphere was most cordial and the chances appear to be reasonably favorable for State going along with Treasury on freezing Argentina.

*Amv gave Dean 35
Rechen original
of this memo 4/28/44.
at time he
4/28/44*

MEMORANDUM FOR THE SECRETARY

The following are the economic warfare aspects of the Argentine situation:

1. Axis banks and industries in Argentina, free from supervision or control, constitute a medium through which enemy operations are conducted, as well as a source of funds for enemy operations.

It is well recognized that large German and Japanese businesses and banks with foreign branches abroad (such as I. G. Farben, Thyssen, Siemens, Banco Germanico, Banco Aleman Transatlantico, Yokohama Specie, Mitsubishi, Mitsui and Doms) operate as tools of their respective governments and serve the Axis war effort by carrying out preclusive buying programs, purchasing critical materials for transport to the enemy, serving as bases for espionage, and furnishing funds for other subversive and propaganda activities.

The Brazilian Government, upon taking over the Brazilian branch of I. G. Farben, found that it had made available to the German Embassy funds in excess of \$800,000 within a period of eighteen months. If one firm in a friendly country could make available this amount of funds, the possibilities provided in Argentina, where the Germans presently have in profitable operation, two large banks and twenty-one large industrial enterprises (not to mention Japanese firms and scores of smaller establishments) are breathtaking. It is notorious that the Colonels' Clique, presently administering the Argentine Government, is in the pay of the German Government through the extension of non-interest-bearing "loans" by the German banks in Argentina. The adoption and effective administration, by Argentina, of a system of controls over Axis interests, accompanied by a thorough examination of books and records, would do much to destroy the enemy machine presently operating in Argentina.

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2. The Argentine Government gives positive assistance to enemy firms and shields them from the effects of our economic warfare program.

Large contracts are awarded by the Argentine Government to Proclaimed List firms in many cases without even the formality of competitive bidding. If Proclaimed List firms encounter difficulties in procuring materials, the Argentine Government procures the materials for them. For example, the Argentine Government procures newsprint for such Nazi propaganda sheets as "El Pampero" (which immediately after the break in relations was ostensibly suppressed, but shortly thereafter resumed publication as "El Federal") and "Cabildo," both of which are on the Proclaimed List.

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 black lists - a measure unique amongst even the neutrals.

Firms unsympathetic to the Axis which refused to deal with Axis companies are threatened with legal proceedings and are forced by Argentine authorities to furnish materials and to act as subcontractors to enemy firms.

The two government-owned banks, the Banco de la Nacion and Banco de la Provincia, render financial assistance to Axis banks and other enterprises. In those instances in which our economic warfare measures have seriously threatened Axis firms, they have found it easy to obtain long-term loans and overdrafts from these two banks, as well as from the Banco Germanico. For example, the Argentine Government-owned Banco de la Nacion placed a three million peso deposit with the Banco Frances e Italiano in order to offset the loss resulting from its inclusion on the Proclaimed and Statutory Lists.

Fritz Mandl, former Austrian munitions manufacturer, is now in Argentina actively engaged in founding an Argentine munitions industry. He was able to remove \$12,000,000 from Germany with the consent of the German Government.

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3. Argentina is the major channel of trade and communication between the enemy and the entire Western Hemisphere.

Notwithstanding the recently decreed cessation of direct trade and communication between Argentina and the Axis, Argentina is still the loophole through which trade and communication are carried on with enemy countries. Spanish boats arriving in and departing from Argentina carry Axis mail and critical materials needed by the enemy. The Argentine diplomatic pouch is notorious as a channel through which funds, strategic materials (such as platinum and industrial diamonds) and information are transferred between Latin America and enemy territory (eluding British and United States censorship and blockade controls).

4. Argentina serves as the base from which the enemy safely and effectively operates in this hemisphere.

The financial and banking systems of Argentina are the most highly developed and the Argentine currency the strongest of the Latin American Republics. This consideration, together with the facts enumerated above, has made Argentina a haven for Axis spies, Axis funds, and the point from which Axis efforts throughout this hemisphere are coordinated.

5. Argentina affords a sanctuary for assets of Nazi and Fascist leaders.

There is mounting evidence that funds (much of which may be derived from the sale in Argentina of looted assets) are being hidden in Argentina for use in the post-war period by war criminals to protect themselves and foster their ideologies.

6. Argentina affords a channel through which the financial facilities of the United States are used by Axis interests in violation of our financial controls.

At present, persons and institutions in Argentina are free to use United States financial facilities except in those cases in which this Government has taken preventive action

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against specific firms or persons. It is obvious that so long as Argentina does not itself institute effective controls, it is impossible for this Government to accumulate evidence and take action against all enemy interests which have acquired Argentine identity and Argentine intermediaries who are willing, for a consideration, to serve the Axis cause.

There is no longer any doubt that the break in relations which was announced on January 26th was no more than a gesture designed to forestall impending economic sanctions by the United States. Successive changes in the Argentine Government during the past year have resulted in administrations progressively more beneficial to the Axis cause. As recently as February 18, 1944, our Embassy in Argentina reported that the Argentine Government had not followed through its ostensible break of relations with the Axis by adopting adequate controls. No provision has been made for nationalizing, vesting, or liquidating Axis firms; no attempts have been made to oust pro-Nazi management. No measures have been taken to freeze the accounts of German and other Axis nationals resident in Argentina, even in those cases where such persons are known to engage in pro-Axis activities.

AFL:mrd - 4/23/44

April 28, 1944
3:24 p.m.

HMJr: Hello.

Leo Crowley: Hello.

HMJr: Leo, I wanted to explain to you why I didn't ask for an appointment to see Hull this week.

C: Yeah.

HMJr: I spoke, yesterday forenoon, after I spoke to you, with Acheson

C: Uh - huh..

HMJr: because Acheson had been designated to handle this thing, and Dean begged me not to put anything up to Hull this week, because he was so upset.

C: Yeah.

HMJr: He said he had been through some terrible thing in connection with Spain, see?

C: Yeah.

HMJr: And begged me to let it go over until next week.

C: Well, I think that's right. He has been terribly -- he'd get terribly upset, you know as I told you yesterday on the phone, about the English on Spain.

HMJr: Yeah.

C: And when I saw him, as I told you yesterday morning, he was terribly upset, and said he hadn't slept all night.

HMJr: Yeah.

C: Ah - how does Dean feel about the freezing?

HMJr: Well, the way I left it -- Dean was over here today, and he - I told him that I felt it was my responsibility to recommend to the President that we freeze.

- 2 -

C: That's right.

HMJr: And I - Dean was contacting me - I was giving him - and I gave him the reasons why -- in an office memorandum to me.

C: Yeah.

HMJr: And Dean said he would take it up, himself, Monday with Hull.

C: Fine.

HMJr: And he seemed to think he might be able to get it through.

C: Fine. That'd be fine.

HMJr: Now, I don't -- at least he is going to take it up Monday, and -- left me with the impression that he might be able to get the thing through without my going over.

C: Fine. It - it - after you hear, will you give me a buzz?

HMJr: Sure.

C: Fine.

HMJr: Let me ask you this: did you men get any where on this Spanish thing?

C: Well, Hull is releasing a very definite statement to them

HMJr: Uh.

C: on the English, to say that it's their sole responsibility. In other words, he just feels that he's not now going to let this thing go on, and have them getting materials to shoot our boys with

HMJr: Yeah.

C: and that he's going to put the thing right back to the English.

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HMJr: I see.

C: And, you noticed -- I don't know whether you happened to hear this Graham Swing last night

HMJr: No.

C: he had it on the radio about coming from England

HMJr: Yeah.

C: more or less the English version of the thing

HMJr: Yeah.

C: and what they did, apparently, was to beat Hull to the punch a little bit, although Swing handled it very well from Hull's point of view.

HMJr: No, I didn't hear it.

C: But Hull is going to get out a release for -- some time the early part of next week

HMJr: Good.

C: which puts it right back in the lap of the English.

HMJr: All right

C: But what Jimmy Dunn -- I always thought that Jimmy Dunn, maybe, was kinda off our ball team, although he seemed to be very definitely against the British on this Spanish thing.

HMJr: Is that right?

C: Yeah. There seems to be a new change of thought over there a little bit.

HMJr: Wonderful.

C: Yeah.

HMJr: Well, Acheson is going to take it up and try to put it across for us.

- 4 -

C: Fine. And
HMJr: And I'll let you know what happens.
C: Thanks.
HMJr: Right.
C: Good-bye.

*Photostat to Dr. White**4/29/44*

THE WHITE HOUSE
WASHINGTON

28 April 1944

MEMORANDUM FOR

The Secretary of the Treasury

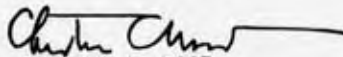
The following message has been received in the White House Map Room for transmission to the Secretary of the Treasury:

"From the President to Secretary Morgenthau.

"Your telegraphic message of April 27th is fully approved. Well done. You are hereby authorized to go ahead with arrangements for International Monetary as outlined in your telegram. Send me proposed name of delegates.

"Signed: FDR"

Respectfully,



CHESTER C. WOOD,
Captain, U. S. Navy,
Assistant Naval Aide to the President.

4/26/44 -

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 subject, of course, to your approval: (1) issue formal invitations May 1; (2) convene an informal drafting committee of technical experts of about ten countries in Washington May 10; (3) hold the first plenary session of the conference in this country, but outside Washington, May 26. Both countries have been advised that a final decision on a conference rests with you. After we hear favorably from London and Moscow we should like to go forward with these steps and have you issue invitations to the Governments of the United and Associated Nations. To conform with this tight schedule we are forced to telescope procedures and dispense with needless formalities.

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 Hall 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.

HDW:EMB:AFL:ff 4/27/44

April 28, 1944

My dear Cordell:

I am enclosing herewith a copy of the telegram which we sent to the President Tuesday night together with his reply, which has just been received.

With your cooperation, just as soon as we receive a favorable response from London and Moscow, we will proceed to make the necessary arrangements for the Conference.

Sincerely yours,

(Signed) Henry

Honorable Cordell Hull,
Secretary of State,
Washington, D.C.

Delivered by

Secret Service - 12:15 P.M. 4/28/44

HPW

PARAPHRASE OF TELEGRAM RECEIVED

FROM: London
DATED: April 28, 11 p.m.
NUMBER: 3507

MOST SECRET TO SECRETARY MORGENTHAU FROM THE
AMBASSADOR

I am convinced after painstaking survey of situation here that it will be impossible for the British to agree to the schedule outlined in Department's 3288 of April 25 and that before fixing the exact date for the final conference and for the drafting committee of experts, two things are necessary. These are consultation in London with the Dominion Prime Ministers, which has been scheduled for next Friday and, following such meeting, debate in the House of Commons. The leader of the House of Commons, Eden, has already agreed to the latter.

Before sending experts to attend a drafting committee meeting and before appointing a delegation to the conference to be headed by the Chancellor, it is necessary, in contrast to our own procedure, to get the commitment of the Government, which includes the support of a majority of the Parliament. While we, after executive commitment, must wait on Congressional approval, the British procedure ensures practical

-2-

commitment to project on acceptance of terms by responsible delegation which, in my opinion, is to our advantage.

Military security is involved in another consideration. Diplomatic communications outside of Great Britain have been suspended except for the United States and Soviet Union at the request of the Supreme Commander of the Allied Expeditionary Forces, which has been confirmed by the British War Cabinet. Except in exceptional cases of great urgency where special permission is granted only to high officials of other Allied Nations where the individual involved is known and trusted, all travel from Great Britain has been forbidden for other than American and Russian officials. Governments in residence in London must appoint experts for the drafting committee and members to attend the conference, which involved a problem that is both difficult and unique.

In my opinion we will also need time to ensure the support of the British Government and overcome opposition here.

Although all of this requires the most careful preparation on this side, I believe that within a possible fortnight's delay in your schedule, we will

-3-

be able to accomplish it. You may be assured that it is fully realized by me that, because ultimate success in carrying through the objectives of Article 7 including the trade agreements program is dependent upon the successful outcome of establishing a common denominator for currencies, prompt action in forwarding your plan is of the greatest importance. We are receiving the full cooperation of the Chancellor of the Exchequer and are doing everything possible to guarantee full acceptance here of your proposals.

The situation here will be explained in detail on his return by the Under Secretary.

WINANT

FMA:EGC:ja

4/29/44

White Smith *L 46*
TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

Photostats to 50 ✓
Dr White and
Mr Smith 5/2/44
to talk to Seig
DATE
April 28, 1944

TO Secretary Morgenthau

FROM Fred Smith *FS*

Because it is vital that publicity on the Monetary Conference be carefully handled, I have suggested to Harry:

- (1) That you appoint a Chairman of a Public Relations Committee to handle the job;
- (2) Place in this Committee all the public relations representatives of the State Department, Great Britain, Russia, China, and any other nations that may have publicity men here.
- (3) This way we could make a good stab at keeping publicity in hand, and we could cultivate a single point of view, which is vital.

Under any circumstances, it is going to be difficult to keep publicity on this in hand, and I honestly believe that setting up such a Committee and calling as many of its members as possible together beforehand, provides the only possible safety-catch.

This will also settle the problem as to who is to be responsible for publicity between the State Department and the Treasury, since I have a hunch that the State Department may want to supervise all or part of the job.

I also feel that I should give a great deal of time because it is vital to both you and Mr. Roosevelt that every precaution be taken to prevent its getting off the track in a publicity way.

The Secretary of State presents his compliments to the Honorable the Secretary of the Treasury and encloses herewith copy of the Order issued by direction of the President officially announcing the death of Frank Knox, Secretary of the Navy, which occurred on the afternoon of Friday, April 28, 1944, at eight minutes after one o'clock.

Enclosure:

Copy of Order.

SW

TO THE PEOPLE OF THE UNITED STATES:

Frank Knox, Secretary of the Navy, died in the city of Washington on the afternoon of Friday, April twenty-eighth, at eight minutes after one o'clock.

The death of this distinguished member of the President's Cabinet comes as a great shock and a great sorrow to his friends and as a national bereavement to the Government and people of the United States.

Mr. Knox served with honor in the armed forces of the United States during the Spanish-American War and the World War, and was publisher of the Chicago Daily News when appointed Secretary of the Navy on July 11, 1940.

As a mark of respect to the memory of Secretary Knox, the President directs that the national flag be displayed at half staff on all public buildings in the city of Washington until the interment shall have taken place.

By direction of the President,

CORDELL HULL

Secretary of State.

Department of State,

Washington, April 28, 1944

FUNERAL SERVICES

FOR THE LATE

FRANK KNOX

SECRETARY OF THE NAVY OF THE UNITED STATES

WHO DIED ON THE TWENTY-EIGHTH OF APRIL

AT WASHINGTON, D. C.

WILL BE HELD AT THE

MOUNT PLEASANT CONGREGATIONAL CHURCH
1410 COLUMBIA ROAD, NORTHWEST

MONDAY AFTERNOON THE FIRST OF MAY

AT TWO O'CLOCK

YOU ARE INVITED TO BE PRESENT WITH THE

LADIES OF YOUR FAMILY

THE NAVY DEPARTMENT
APRIL 28, 1944

MEMORANDUM FOR THE SECRETARY.

April 28, 1944.

Mail Report

"Middling" best describes the week's mail. It was medium in quantity and even in tenor, with very little that was either abusive or commendatory. Most of the excerpts that follow are unfavorable, only because letters with an adverse turn were more quotable than the unbiased ones.

The dominant topic was again bonds. Though the Fifth Drive gained ground with correspondents, they still contributed little beyond the usual ideas for promotion of sales. There was particular increase in the number of slogans submitted for consideration, and also in the number of individuals who volunteered their services.

Fewer E Bonds than usual were submitted for redemption, and there was little comment about excessive cashing in other localities. Complaints about delays in receiving bonds already purchased again remained very low, but there was a sharp rise in reports of unpaid interest. Forty-one persons wrote that they had not received interest due on April 15, and close to a dozen others protested against their loss of interest as a result of the present method of announcing the calling of bonds.

Tax mail, even lighter than in recent weeks, contained several requests for refunds, 20-odd comments on the simplified tax bill, and only a handful of other communications. Correspondence about the tax bill came from churches and ministerial associations that ask for revision of the bill in favor of those who contribute generously to churches and organized charities.

Publicity about further plans for the International Stabilization Fund, and also about the Census of Foreign-Owned Property prompted several to express their interest and to request publications concerning the studies.

D. E. Fairbank
by Kay Pearson

General Comments

Frank S. Strattan, Indianapolis, Indiana. Has the world money plan been printed in full for publication and distribution? If so, may I have a copy? From news reports, I am moved to congratulate the Treasury on this very constructive program. Thank you.

Senator Arthur H. Vandenberg, Washington, D.C. I enclose herewith a self-explanatory letter from Mr. A. A. Leonard of Detroit which refers to some statement made in a broadcast by Mr. Upton Close on Sunday, April 16th, which seemed to indicate that there was some sort of a "loss" (estimated at one billion dollars) in the Federal gold supply at Fort Knox. I have had several inquiries along the same line. I did not hear Mr. Close. I cannot imagine what he is talking about, but I am sure this matter must have been brought to your attention from other sources. I shall be very glad to have the benefit of the Treasury Department's statement on the subject as soon as possible.

Clarence R. Schaller, Cubmaster, Detroit, Mich. Please accept this check (\$9.24) as a gift from Den 1, Pack 118, Cub Scouts of America, of Stellwagen School, Detroit, Mich. We would like you to buy a bayonet, a helmet with lining, and eleven Garand Rifle bullets for our fighting men. We, eight boys, ten and eleven years old, gathered paper and sold it, trying to do our part in the War effort, and are glad to present it to you for "our boys over there".

Senator E. H. Moore, (Oklahoma). I have a letter today from one of my constituents which is in part as follows: "I am appealing to you as my Senator to clear up my confusion concerning the diminishing gold supply in the U. S. Treasury to which commentators refer. These are my questions: 1. Why hasn't Congress curbed, or at least investigated this? 2. Why hasn't the public been

- 2 -

told? 3. What effect would such a rapid fall have on our bonds? These are vital questions to me and to millions of others who are staking their all on the Government's ability to return our loans with the same valuation as when they were given." Her first question has been partially answered, but I would appreciate it if you would give consideration to the balance of the quote and advise me.

Letter addressed to the President by K. M. Peacock, Philadelphia, Pa., and referred to the Treasury for handling. * * * The "regulated" sale of liquor in this country is a farce and is being footballed around by the various states at the expense of a great percentage of the American public who obey the laws of state and nation, yet enjoy liquor in moderation, and who are either wholly or partially deprived of it through excessive profits and prices. * * * Rum is selling in Pennsylvania at from \$4.00 to \$6.00 per fifth, and many times is not available -- yet Cuba advertises the fact that they could land enough in the United States with their own fleet of small boats and that it could be retailed at a fair price -- which would be \$1.50 to \$2.00 per fifth. The United States Treasury would receive the tax and likewise the state to which it was imported. Perhaps I am mistaken but it looks as though it is purposely kept from coming into the country. The "man in the street" believes this is a more important matter than getting the soldier vote. The average soldier is not interested in the vote -- he wants to get this War over -- win and get home again. Those at home -- or a great many of them -- are spending millions on liquor. If a plentiful supply could be had at fair prices the difference could be spent in War Bonds and Stamps. Believe the liquor situation should be looked into before prohibition is again forced on the country.

- 3 -

Congressman Wm. B. Barry, (New York). The enclosed letter, to which is attached a check for \$100.00, from Mr. M. W. Martin, Belle Harbor, N.Y., speaks for itself. (The following is the letter from Mr. Martin to Congressman Barry.) Today I was granted the privilege of taking the oath of a citizen of the United States. For whatever share you have had in hastening this glorious event, please accept my most heartfelt thanks. I stand humbly today in contemplation of my being a part of and belonging to the great people of this great country, humbly before the magnitude of pride and duty which American citizenship means to me. I can think of no celebration more fitting than a token of contribution to the great effort in which we now are engaged...Will you be good enough to forward to the Treasury of the United States the enclosed check for this constituent?

- 4 -

Favorable Comments on Bonds

Joy Gloria Schieber, Brooklyn, New York. I have heard that in the near future we will have a Fifth War Loan Drive. I am ten years of age and have a hobby of making up poems, so I decided to write to you, thinking the poem I am enclosing will be good during the Drive, since it is about the War and buying bonds. I have seen your picture in the papers, and in the movies, and I know if you think my poem is good enough, you can have it published in any paper. (Encloses poem entitled, "The Man Who Lived Next Door".)

Charles T. Metcalf, St. Albans, N. Y. * * * For the past several years, I have made regular monthly purchases of bonds of a fixed amount and if possible, intend to continue those purchases throughout the ten-year period. This plan will give me a monthly income for the succeeding ten years. However, as I view it now, I will not want to use that income until I have reached the end of my earning years. Would it not be practical to offer bondholders an alternative redemption whereby a new bond of ten years' maturity for an increased amount will be given in exchange for the matured bond without the necessity of cash adjustment? In other words, Issuing Agents will be supplied with new bonds with a maturity value of \$33.33 or \$66.67, etc., to be exchanged for \$25.00 or \$50.00 bonds, etc. Such a plan would assist many people to create annuities for themselves, be very helpful to surviving widows, and should eliminate a tremendous volume of work for the Treasury Department by not having to issue redemption checks. * * *

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Unfavorable Comments on Bonds

Mary R. Tobin, Waterloo, Illinois. The U. S. Treasury bonds which were called for redemption April 15, 1944, 3 1/4%, of which I held \$1,000.00, were left with the First National Bank of Waterloo, Illinois, the latter part of March, 1944. I requested cash, but so far I have not received my check and interest to date, April 24. I am in urgent need of the money. Will you kindly send the check as soon as possible for the amount due me?

P. E. Smith, Bayside, New York. After vainly trying to get delivery of War Bonds for nearly two years from a War Department Agency, I am asking your co-operation. During the period August-December, 1942, I purchased each month a \$50 bond through payroll deduction at the Signal Corps, Camp Evans, Belmar, N.J. None of these bonds has been delivered and all I have been told for two years is that "delays have occurred"- "records were transferred"- "reconciliations are being made", etc., etc. The latest communique from that front was to the effect that I would certainly have the bonds by April 8th. This was only one of many similar promises which have never materialized, and which by their lack of credibility have become laughable and rather deplorable. To say the least, they make one lose confidence. It seems to me that with the resources and equipment the Government has at its command, such a situation is inexcusable and most certainly something should be done to rectify such a state of affairs, since obviously I am not the only sufferer. * * * Please don't send me more form letters, etc., as I have plenty on file already. That only piles Ossa upon Pelion. Instead, I'd appreciate someone in your office doing something so I either get these bonds or the money forthwith.

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Rollo G. Lacy, Attorney and Counselor at Law, Duluth, Minn. We have written innumerable times to different departments regarding the nonpayment of two bonds. Each time we get a letter from our correspondent referring us to another department. This has been going on for about six months. Since you sign the bonds, we thought that you might be able to inform us as to whom we should write to settle this matter.
* * *

Harry Abrams, Bronx, New York, New York. * * * On December 24, 1943, I forwarded my check for \$37.50 to the Treasurer of the United States, as payment for a War Savings Bond under the monthly Regular Purchase Plan. When I received no word, after a month, on January 24, 1944, I wrote the Treasury Department about it. On February 7, I received an acknowledgment signed by F. W. Proctor, Chief, Savings Bond Section, stating a Series E War Bond, No. L-79707506 E had been issued for my December remittance, but if I filled out Department Form P.D. 1826, duly executed, and returned same to the Treasurer of the United States, Cash Division, Savings Bond Section, Washington, D.C., it would be forwarded to the Division of Loans and Currency in Chicago, Ill., with a certified statement of issue from his office for a duplicate bond. I filled out the above-mentioned form, duly executed same, and returned it as instructed and awaited the duplicate bond. Not getting any word by March 8th, I wrote on that date to the Treasury Department, explaining the whole situation again. On March 24th I received an acknowledgment of this letter from F. W. Proctor, Chief, Savings Bond Division. In this letter, it is claimed the Department Form P.D. 1826, which I filled out, was never received, and is presumed to be lost in transit, but he is enclosing Department Form P.D. 1902 which should be duly executed and returned to the Treasury Department. Upon receipt of this form, a duplicate bond will be issued. On March 25th I returned this Department Form P.D. 1902, duly executed, but up-to-date have received no word. Is there anything I can do now? Is there anyone in the Treasury Department who will follow this up for me and get to the bottom of it so this matter is cleared?

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Mrs. May L. Dillenberg, St. Louis, Mo. * * * Today when I put in the April 15, 1944, coupons for collection, I was informed those bonds were called last October 15, 1943. Now I fully realize why each holder of United States securities cannot be individually notified of such redemption, but in justice to investors who depend on these dividends for daily sustenance, as many widows do, it seems to me there could and should be a little more publicity given to said redemption than a tiny squib in small print on the financial sheet of the daily paper. That is all right for the big investor who every day reads the financial sheet, but how about the poor widow with a small income wholly invested in United States securities? It does not increase one's confidence in our Government's assurances.

* * *

Robert M. Campbell, Civilian Barracks, Hill Field, Ogden, Utah. In view of the coming Fifth Bond Drive you may be interested to know that in this defense plant of the Ogden Air Service Command at Hill Field (17 miles south of Ogden, Utah) persistent rumors declare that sooner or later, and particularly after the War, the War Bond owners will experience considerable difficulty in cashing their bonds. I have even heard that soldiers in America and overseas have advised against purchasing bonds. * * * The argument is used that even as the New Deal declared a Bank Holiday, so the Administration might declare a bond-cashing holiday, either national or sectional. I am also warned that this letter will be ignored or answered evasively or incompletely, especially if I warn you that the reply, together with the letter, will be given full publicity. * * *

E. F. Shinn, Controller, KAHN'S, Oakland, California. * * * We realize that, in order to sell a lot of bonds, we have to be spectacular in our promotion, and we have to, in some degree, forcefully call the public's

- 8 -

attention to the Treasury program. In our store we have a dome that runs clear through the building, eight floors high. The diameter of the dome is 70 feet and our Display Manager has felt that he could do a spectacular job in the bond promotion if he could hang a small airplane in the dome, diving, with a slogan: "Diving to the Attack", and a bond booth right under the diving airplane would carry out the idea. We started out to do this in the 4th War Loan and we were referred to a Colonel in Charge of Personnel who referred us to a Major in Charge of something else, and we were sent from the Army to the Navy to the Marines, and we were referred from one Major to some Colonel, to the General or the Commander, and when we were referred back to the Colonel in Charge of Personnel, after going through about fifteen hands, we felt that it was too big a job for us to handle! We are most anxious to do more than our share in the promotion of this coming Drive. In our store we do business of eight million dollars a year, and we have traffic inside our store greater than many small towns have as a total population. Will you help us sell our bonds by helping us get an airplane to hang in our dome?

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Unfavorable Comments on Taxation

J. B. Foley, President, Foley & Company, Chicago, Ill. We are a small business and it is onerous to us to have \$10,000 of our cash, of our liquid assets, tied up by your bookkeeping departments for an indefinitely long period. We are referring to the rebate on the alcohol tax allowed for nonliquor use. When may we expect reimbursement of our funds for the quarter ending September 30, 1943, and the quarter ending December 31, 1943? Our returns have been audited by your department for some time.

A Citizen, Philadelphia, Pa. I think there should be some law to force people that work and get paid from day to day to pay taxes the same as the rest of the people. As it is, these people come to a place of business and want to be paid at the end of the day. If the employer wants them back the next day, and he takes taxes out of the day's pay, the worker does not come back next day. They do not want to be paid weekly, but daily. The employer is in a terrible fix. If he deducts taxes, he does not get the help, and if he does not deduct taxes, he is liable to get in trouble with the Government. Think how many millions of dollars the Government loses in taxes this way. * * * Something should be done about it, and every one who earns over his amount should be made to pay.

The following letter from Elmont V. Bankhardt, President, Bankhardt's Luggage Shop, Cincinnati, Ohio, was forwarded by the White House to the Treasury for consideration. * * * I am voicing myself as to how the 20% tax has affected the sales of luggage and leather goods. * * * First of all, I do not feel that any man or woman who is sacrificing their home, position, job, and possibly their lives, should be forced to pay any tax on merchandise they are forced to purchase while

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in service or in preparation of entering to save this country of ours. To be obliged to charge the ceiling prices approved by the boards on cheaply constructed furlough bags, for example, which is more than double the selling price as of March 1942 is wrong. I would like to mention one item:--canvas bag size 18", strap in center, no zipper, no corners and canvas handles on which the improved price is \$3.15, and not as good as bags sold in drug stores, or what have you, at 98¢ with a zipper in 1940. If the 20% tax was added to the original ceiling prices on all luggage as of 1942, it would not be much of a hardship, but a merchant with half of a conscience feels like a robber every time a sale is made. Yes, it has handicapped the selling of luggage and leather goods. We have cards printed on our display cases and in our show windows stating clearly as to what items on which they are to pay 20% but sorry to say they are seldom read. Our sales force are instructed to quote prices as we advertise, plus 20% Federal Tax. Often a sale is made and when the sales slip is made out, nothing is said, and other times they say, "I do not want to pay that much", and of course a lower priced item is shown. The usual result is the sale is lost. That is a waste of time and effort by the sales person. * * *

Rev. Allan Whatley, President, North Hudson Protestant Clergy Club, Union City, N.J. I am writing this letter for the above organization which included forty-six Clergymen from many different denominations in North Hudson, New Jersey. We feel that the proposed Simplified Withholding Tax Bill will work additional hardship upon the churches and charitable institutions if contributions are not tax-exempt. * * * The churches have accepted the 20% tax on everything designed to raise money for its support, with the exception of dinners. You must know what this means in reduced income from these sources. However, it will be nothing in comparison with the reduced income if the Simplified Withholding Tax does not include contributions to Church and Charity. In many instances the local members of

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congregations have had to increase their contributions during the past three years to make up the deficit caused by our men in service. They have also backed the Red Cross, as well as other agencies for the welfare of others. There is a limit to giving, as you know very well, which must be faced. The small returns to the Government, in our opinion, would not justify the detrimental effects upon our churches and charitable institutions. * * *

Dr. Armour F. Liber, Amsterdam, N. Y., tells of correspondence during 1944 with the Collector of Internal Revenue at Buffalo, New York, concerning a refund which he has not been able to obtain. " * * * Once before, in May 1943, the Buffalo Collector's Office informed me that the Albany Office would refund the money to me. No refund was received, in spite of several letters to Albany. Hence, I submit that I may be forgiven if, after nearly fourteen months' waiting, I am beginning to entertain a faint suspicion that the Buffalo and Albany Collectors have no intention of paying me, or are trying to drag the procedure out until after the last date set by the Statute of Limitations. I hope that suspicion will be proved unfounded. It did not occur to me that a claim so obviously justified as mine would require an appeal to you. Hence, I did not save most of the correspondence. But one point is worth mentioning as an example of the kind of service I have received. On February 9, 1943, I sent four cancelled checks to Mr. William Kraetz, at Buffalo, as proof that I had paid my 1941 income tax in full. My letter and the four checks were returned to me with the penciled statement: 'Thanks for your cooperation', on the letter. No statement was made about a refund. On March 25, 1943, I wrote again, requesting the refund. On April 24, 1943, Mr. R. N. Vosseler at Buffalo wrote me stating that only two checks had been sent him, and asking for the numbers on the checks. Still nothing about a refund. I immediately sent him the four checks again. Finally, after more delay, another letter from

- 12 -

Buffalo informed me that if I wrote to Albany, the refund would be made to me from Albany -- a statement which has thus far not been substantiated by the facts. I realize how busy you must be, but I think a record of inefficiency and lack of consideration for the taxpayer's interests and rights such as the above is worthy of being called to your attention.

The following is a letter addressed to the President by Floyd Mills, Route 1, Ridgway, Illinois, and referred to the Treasury for handling: "Why haven't you sent us our money that we were supposed to get back on \$83.48? After all, we want our money same as you want yours. We have never heard a thing about us getting it. We have bills to pay. Also, we would like to have our money the Government owes us because you certainly want yours, and you get it too, if you have to take it out of our mouths or off our backs. I would like very much to have this money. We will wait to hear from you.

Charles H. McLaury, Elmhurst, New York. The New York Tribune of this date gives a table of the new withholding rates as now proposed. Various columns are given to fit the status of the taxpayer according to whether he is single, married, has one or more dependents, etc. In no place, however, is there any consideration given for contributions to charities or taxes. On the final accounting for the year, provision is made, but that is long after the deduction has been made and the refund, if any, is likely to be long deferred. As one interested in gifts to churches, colleges, hospitals, homes and other charities, I consider this failure to provide for such deductions a serious matter. These institutions are having increasing difficulty to exist at all. Their death would be a tragedy. Gifts to them should be made attractive. Surely some provision can be made for such deductions at the source as well as for dependents.

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George L. Main, Little Rock, Ark. Two weeks ago I wrote you in regard to a refund of \$23.60 due me upon my report of December 15, 1943. You didn't even accord me the courtesy of a reply. Have worked two months and two days since, and am at present out of work on account of illness. My employers have already withheld more than my 1944 income tax will come to. Am ill and need the money, so let me at least hear from you. Your bureaucratic methods smack of Hitlerism and are doing more to beat the best President we ever had, F.D.R., than all the Georges, Reynoldses, Wheelers and Nyes in the U.S.A.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

68
27
DATE April 28, 1944

TO Secretary Morgenthau
FROM Charles Bell *mb*

Attached is a summary of a report prepared by an American citizen who was a prisoner in the Philippines until his repatriation last fall in the second exchange of prisoners between this country and Japan. Copies of the detailed report were sent to the relatives of the five Treasury men who are still interned. The complete report is also being sent to OSS, Army and Navy.

INTERMENT IN THE PHILIPPINES

Attack and early internment: First air raids occurred on December 8 and involved loss of 207 planes including 22 Flying Fortresses; air attacks continued from December 8 to 31 damaged piers, cargo, public buildings, and disrupted business activity.

The Japanese arrived January 3, taking over the city without many incidents. Business men were first to be interned, and between 300 and 400 were taken to University of Philippines campus, where they were confined in a single large room. After three days of considerable discomfort they were moved to camp at Santo Tomas University, where the number of internees soon reached 3,200.

Internees took upon themselves the management of the camp; arranged for food, bedding, sanitary facilities, etc., with the help of the Red Cross and friends on the outside. American Red Cross was handicapped in that their supplies had been seized by Japanese and they were forced to operate on borrowed funds. After six months the Japanese made an allowance of 70 centavos a day for each internee's food.

(354)

As time went on more and more authority was granted the Internees' Voluntary Committee and guards were reduced to a group at the gate. As an example of the attitude of the Japanese Military Administration, internees were permitted to borrow funds on the outside though this practice was never given official sanction.

In the spring of 1943 the authorities' policy toward releases of aged or ill prisoners, which had been fairly lenient during the first six months, was tightened and many were reinterned.

Lack of medical supplies was a major problem. Small quantities were obtained through the unofficial market on the outside; none through the Japanese Military Administration. Doctors and nurses among the internees gave invaluable aid to the sick.

Activities in the camp: Assignment of camp duties, organization of accredited college courses in a variety of fields, building of shanties for daytime relaxation and privacy, planting gardens, and participation in planned entertainments were all effective in relieving monotony.

Food: Available food provided a fairly adequate diet. Meat stew and a vegetable were usually on the evening menu, and supplies obtainable from the camp canteen offered some variety but were always limited.

Mail and packages from home: News from home was almost completely lacking, though British prisoners were more fortunate than Americans in this respect. Japanese explanation was that our Government had failed to make routine arrangements for exchange of mail. The only relief supplies up to the fall of 1943 were Red Cross packages from South Africa and Canada.

Move to Los Banos: In the summer of 1943 a large number of internees were moved to the grounds of Los Banos Agricultural College, 45 miles south of Manila.



OFFICE OF THE DIRECTOR

TREASURY DEPARTMENT

PROCUREMENT DIVISION

WASHINGTON 25



70✓

AA

April 28, 1944

MEMORANDUM TO THE SECRETARY:

Discussed with Mr. Rivers Peterson, Secretary of the National Association of Hardware Retailers, and Mr. Harold Young, Secretary of the Retailers National Council, the matter of the disposition of surplus merchandise in the hardware and department store fields.

Conferred with Mr. T. P. Fanning, Secretary of the National Association of Bedding Manufacturers, with regard to policies and procedures governing the disposition of surplus items in the following categories: mattresses, pillows, box springs, bed springs, metal beds, cots, bunks, sofa beds, and studio couches.

Further discussions have been had concerning a plan to centralize information relative to storage space and allocation by a Federal Space Control Board.

Clifton E. Mack
Clifton E. Mack
Director of Procurement

APR 28 1944

Dear Mr. Marmet:

In respect to your letter of March 31, 1944, requesting the printing of an additional 255 million individual franc notes of a total value of 250 billion francs, I wish to inform you that this matter has been given very careful consideration within the Government and we are now prepared to proceed with this order.

You have inquired concerning the cost of this additional issue in order that you might inform the French Committee of National Liberation of its financial responsibility for this expenditure. The unit cost is approximately \$2.73 per thousand notes. The total cost, therefore, of manufacturing and preparing for shipment the quantities specified in your letter will be approximately \$696,150. Of this, it will be necessary to add, at a later date, the costs of shipping which it is difficult at this time to estimate in advance.

It is our understanding that the currency, when finished, will be held in the Treasury vaults until such time as we have received authorization from the appropriate officials to permit its release to the appropriate French authorities.

Very truly yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury

Mr. Jean Marmet,
French Military Mission,
1745 R Street, N. W.,
Washington, D. C.

ENT:Dr1 -4/21/44

Washington, le 31 mars, 1944

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

Dear Mr. Secretary: -

As you are aware, there is in the process of printing a series of French notes intended for the use of the Allied Forces and the civilian authorities in French territory at the time of liberation.

So as to be prepared in good time for the provisions that may be necessary to meet the needs of the civilian authorities, I would appreciate any action on your part which would ensure the uninterrupted printing from now on of another issue of the same bills.

The amounts would be as follows:

50 millions -	500 franc bills -	i.e.	25 billions
5 millions -	5000 franc bills -	i.e.	25 billions
200 millions -	1000 franc bills -	i.e.	200 billions

255 millions bills, face value - 250 billion francs.

I would be grateful if you could inform me of the probable cost of this additional issue, as the French Committee of National Liberation wish to be considered financially responsible for this expenditure.

(signed) Jean Monnet

JM/ad

Treasury Department
Division of Monetary Research

73

D Copy for Mrs. McHugh (for her information)

Date April 19, 1944 19

To: Mr. D. W. Ball

This memorandum was submitted to the Secretary while you were gone and a copy sent to your office. It was decided that if we could get the approval of the Combined Committee on Civil Affairs we would go ahead.

The Army has indicated they have no interest in the matter and we are waiting for a reply from the State Department.

H.D.W.

MR. WHITE
Branch 2058 - Room 214½

○ Mr. White says there will be a meeting
on this on 4/13.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE April 8, 1944

TO Secretary Morgenthau
FROM Mr. Bell and Mr. White

Mr. Monnet and other members of the French financial delegation here in discussions with us have stressed the urgent need for currency they would have if and when they began operating on Metropolitan French soil. Since local supplies of currency are likely to be inadequate, the only source of additional currency during the first few months of a new French Government's administration would be from stocks we or the British print and stockpile.

We think it would be entirely satisfactory from our point of view to accede to the French Comite's request that we print the additional amounts of military francs for the possible use of the incoming French government provided the following conditions are agreed upon:

1. The French Comite (or their successor) will pay the full costs of printing and shipping.
2. The currency will be held in the U.S. Treasury vaults until such time as the appropriate U.S. authorities permit its release to appropriate French authorities.

The French Comite have already agreed to both of these conditions.

Since the Bureau has almost completed the Army's order for French currency, it could easily continue turning them out until enough of a reserve has been stockpiled to meet the Comite's request.

If you agree we should inform the Combined Committee on Civil Affairs of the proposed action to ascertain whether there is any objection on their part to such action before giving the French our answer.

WPN

Mr. White sent this around on Saturday, and
Oid that Monet had asked that it be
transmitted to the Secretary.

J. ~ ~ ~ C
↑ x

Monnet

REPUBLIQUE FRANCAISE
COMITE FRANCAIS DE LA LIBERATION NATIONALE

FRENCH COUNCIL

1743 R STREET, N. W.
WASHINGTON 9, D. C.
TELEPHONE: DECATUR 7935

March 31, 1944.

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

Dear Mr. Secretary:-

As you are aware, there is in the process of printing a series of French notes intended for the use of the Allied Forces and the civilian authorities in French territory at the time of liberation.

So as to be prepared in good time for the provisions that may be necessary to meet the needs of the civilian authorities, I would appreciate any action on your part which would ensure the uninterrupted printing from now on of another issue of the same bills.

The amounts would be as follows:

50 millions - 500 franc bills - i.e.	25 billions
5 millions - 5000 franc bills - i.e.	25 billions
200 millions - 1000 franc bills - i.e.	200 billions
255 millions bills, face value	250 billion francs

I would be grateful if you could inform me of the probable cost of this additional issue, as the French Committee of National Liberation wish to be considered financially responsible for this expenditure.

James H. Doolittle
James H. Doolittle

25

April 28, 1944.

Dear Mr. Willett:

On behalf of the Secretary, I am acknowledging your memorandum of April 27, which transmits copies of the Executive Reports on lend-lease operations, as of March 31, 1944. Thank you very much for bringing this current information to Mr. Morgenthau's attention.

Sincerely yours,

(Signed) H. S. Klotz

H. S. Klotz,
Private Secretary.

Mr. Herbert Willett,
Director of Research and Reports,
Foreign Economic Administration,
Washington 25, D. C.

KP/dbs

FOREIGN ECONOMIC ADMINISTRATION
OFFICE OF THE ADMINISTRATOR
WASHINGTON 25, D. C.

April 27, 1944

MEMORANDUM

To: The Honorable Henry Morgenthau
From: Herbert Willett
Director of Research and Reports
Subject: Executive Reports

Transmitted herewith, for your information,
are copies of the Executive Reports on lend-lease
operations, as of March 31, 1944.

RECEIVED
10 MAY 1944
OFFICE OF THE ADMINISTRATOR
FOREIGN ECONOMIC ADMINISTRATION

CONFIDENTIAL
Executive Report No. 1
 Form No. OLLA 219

ALLOCATIONS, OBLIGATIONS AND EXPENDITURES
LEND-LEASE FUNDS APPROPRIATED TO THE PRESIDENT

Report as of March 31, 1944

(Thousands of Dollars)

Appropriation Category	Adjusted Appropriations	Cumulative to March 31, 1944		
		Allocations	Obligations	Expenditures
Ordnance and Ordnance Stores	\$1,692,306	\$1,575,179	\$1,439,863	\$1,270,301
Aircraft and Aero. Material	2,629,625	2,541,118	2,481,996	2,090,952
Tanks and Other Vehicles	739,273	671,064	634,643	621,528
Watercraft	3,871,703	3,183,399	2,767,809	2,583,360
Misc. Military Equipment	354,288	323,619	276,771	260,329
Production Facilities	1,154,688	1,107,004	1,055,238	988,116
Agric. and Indust. Commodities	12,608,929	12,274,203	9,761,744	8,020,174
Servicing, Repair of Ships, etc.	790,818	678,424	543,037	529,948
Services and Expenses	890,000	428,056	318,257	264,581
Administrative Expenses	28,999	28,195	26,574	26,336
Total	24,670,629	22,810,261	19,305,932	16,655,625

Procuring Agency	Cumulative to March 31, 1944		
	Allocations	Obligations	Expenditures
War Department	5,422,938	5,147,397	4,750,629
Navy Department	3,478,840	2,709,376	2,144,276
Maritime Commission and War Shipping Admin.	3,121,687	2,628,614	2,627,354
Treasury Department	4,666,230	3,473,864	2,730,593
Department of Agriculture	6,095,890	5,325,321	4,385,103
Other	24,676	21,360	17,670
Total	22,810,261	19,305,932	16,655,625

CONFIDENTIAL
Executive Report No. 2
 Form No. OLLA 220

STATEMENT OF LEND-LEASE AID

Report as of March 31, 1944

(Thousands of Dollars)

Type of Aid	Cumulative to		Month of	
	Mar. 31, 1944	Feb. 29, 1944	March	February
Goods Transferred	\$21,180,251	\$19,774,319	\$1,405,932	\$1,124,057
Servicing, Repair of Ships, etc.	432,311	432,903	- 592	8,566
Rental of Ships, Ferrying of Aircraft, etc.	1,902,945	1,683,657	219,288	207,139
Production Facilities in U. S.	617,465	613,541	3,924	8,548
Miscellaneous Expenses	91,834	90,832	1,002	2,193
Total Services	3,044,555	2,820,933	223,622	226,446
Total Goods and Services	24,224,806	22,595,252	1,629,554	1,350,503

Data on Goods Transferred include value of goods procured from lend-lease appropriations to the President and to the War and Navy Departments.

Type of Aid	Cumulative to March 31, 1944				
	Br. Empire	China	U.S.S.R.	Other	Total
Goods Transferred	16,051,936	192,886	4,473,225	462,204	21,180,251
Servicing, Repair of Ships, etc.	297,049	1,886	76,483	56,893	432,311
Rental of Ships Ferrying of Aircraft, etc.	1,508,507	13,381	205,978	175,079	1,902,945
Production Facilities in U. S.	-	-	-	-	617,465
Miscellaneous Expenses	52,034	1,210	2,470	36,120	91,834
Total Goods and Services	-	-	-	-	24,224,806

CONFIDENTIAL
Executive Report No. 3
 Form No. OLLA 221

LEND-LEASE GOODS TRANSFERRED

Report as of March 31, 1944

(Thousands of Dollars)

	Cumulative to March 31, 1944				
	Br. Empire	China	U.S.S.R.	Other	Total
Ordnance (Excl. Ammunition)	\$666,669	\$15,696	\$242,442	\$19,141	\$943,948
Ammunition and Components	1,403,674	22,204	389,581	29,071	1,844,530
Aircraft	1,785,041	67,111	702,852	99,708	2,654,712
Aircraft Engines, Parts, etc.	1,284,647	25,236	223,680	24,186	1,557,749
Tanks and Parts	1,831,227	923	395,934	38,099	2,266,183
Motor Vehicles and Parts	500,906	25,573	527,518	18,403	1,072,400
Watercraft and Parts	2,315,414	4,247	177,828	105,260	2,602,749
Foods	2,024,805	42	537,723	18,067	2,580,637
Other Agric. Products	543,016	41	7,864	126	551,047
Machinery	562,745	5,376	440,759	8,971	1,017,851
Metals	804,404	11,296	319,986	38,665	1,174,351
Petroleum Products	845,778	2,571	42,937	293	891,579
Miscellaneous Materials and Manufactures	1,483,610	12,570	464,121	62,214	2,022,515
Total	16,051,936	192,886	4,473,225	462,204	21,180,251

TREASURY DEPARTMENT
OFFICE OF THE SECRETARY

April 28, 1944

CONFIDENTIAL

Received this date from the Federal Reserve Bank of New York, for the confidential information of the Secretary of the Treasury, compilation for the week ended April 19, 1944, showing dollar disbursements out of the British Empire and French accounts at the Federal Reserve Bank of New York and the means by which these expenditures were financed.

EMB

FEDERAL RESERVE BANK
OF NEW YORK

April 27, 1944.

CONFIDENTIAL

Dear Mr. Secretary: Attention: Mr. H. D. White

I am enclosing our compilation for the week ended April 19, 1944, showing dollar disbursements out of the British Empire and French accounts at this bank and the means by which these expenditures were financed.

Very truly yours,

/s/ H. L. Sanford

H. L. Sanford,
Assistant Vice President.

The Honorable Henry Morgenthau, Jr.,
Secretary of the Treasury,
Washington, 25, D.C.

Enclosures

C O P Y

ANALYSIS OF BRITISH AND FRANCE ACCOUNTS (in Billions of Dollars)

Week Ended April 19, 1944

Strictly
Confidential

PERIOD	BANK OF ENGLAND (BRITISH GOVERNMENT)										BANK OF FRANCE			
	DEBITS					CREDITS					Net Incr. (+) or Decr. (-) in £ Funds (d)	Total Debits (e)	Total Credits (e)	Net. Incr. (+) or Decr. (-) in £ Funds (d)
	Total Debits	Gov't Expendi- tures (a)	Transfers to Official Canadian Account	Other Debits	Total Credits	Proceeds of Sales of Gold	Securities (Official) (b)	Transfers from Official Australian Account	Other Credits (c)					
First year of war (g)	1,792.2	605.6	20.9	1,166.7	1,828.2	1,356.1	52.0	3.9	426.2	+ 35.0	866.3(f)	1,095.3(f)	+ 299.0	
War period through December, 1940	2,782.3	1,425.6	20.9	1,335.8	2,793.3	2,109.5	108.0	14.5	561.1	+ 10.8	878.3	1,098.4	+ 220.1	
Second year of war (h)	2,203.0	1,792.2	3.4	407.4	2,189.8	1,193.7	274.0	16.7	705.4	- 13.2	384.9	8.8	- 30.1	
Third year of war (i)	1,235.6	904.8	7.7	223.1	1,361.5	21.8	5.5	57.4	1,276.8	+ 125.9	18.5	4.4	- 14.1	
Fourth year of war (j)	764.0	312.7	170.4	280.9	1,072.3	-	0.5	155.1	916.7	+ 308.3	10.3	1.0	- 9.3	
<u>1943</u>														
September	49.4	16.8	10.6	22.0	86.2	-	-	15.0	71.2	+ 36.8	-	-	-	
October	38.2	16.0	-	22.2	115.4	-	-	40.5	74.9	+ 77.2	-	-	-	
November	65.9	42.4	5.9	17.6	89.0	-	-	3.5	85.5	+ 23.1	-	-	-	
December	98.1	16.3	-	81.8	134.5	-	-	36.5	98.0	+ 36.4	-	-	-	
<u>1944</u>														
January	44.6	22.2	10.6	12.0	127.5	-	-	1.0	126.5	+ 82.7	-	-	-	
February	143.8	14.3	2.1	127.4	144.5	-	-	29.0	115.5	+ 0.7	-	-	-	
March	152.9	71.1	12.5	69.3	133.3	-	-	24.5	108.8	+ 19.6	-	-	-	
April														
May														
June														
July														
August														
<u>Week Ended</u>														
March 29, 1944	12.8	6.8	-	6.0	43.5	-	-	-	43.5	+ 30.7	-	-	-	
April 5, 1944	15.0	9.4	8.4	57.2	16.9	-	-	6.5	10.4	+ 58.1	-	-	-	
April 12, 1944	57.3	3.5	-	53.8	26.7	-	-	10.0	16.7	+ 30.6	-	-	-	
April 19, 1944	7.9	2.2	-	5.7	34.4(k)	-	-	6.8	8.4(l)	+ 6.5	-	-	-	

See attached sheet for footnotes.

Since outbreak of War
1939-1940: \$15.6 million
1940-1941: \$27.6 million
England (through June 30, 1940 to March 12, 1941) \$54.9 million
England (since March 12, 1941) \$21.1 million

Regraded Unclassified

- (a) Includes payments for account of British Ministry of Supply Mission, British Supply Board, Ministry of Supply Timber Control, and Ministry of Shipping.
- (b) Estimated figures based on transfers from the New York Agency of the Bank of Montreal, which apparently represent the proceeds of official British sales of American securities, including those effected through direct negotiation. In addition to the official selling, substantial liquidation of securities for private British account occurred, particularly during the early months of the war, although the receipt of the proceeds at this Bank cannot be identified with any accuracy. According to data supplied by the British Treasury and released by Secretary Morgenthau, total official and private British liquidation of our securities through December, 1940 amounted to \$334 million.
- (c) Includes about \$85 million received during October, 1939 from the accounts of British authorized banks with New York banks, presumably reflecting the requisitioning of private dollar balances. Other large transfers from such accounts since October, 1939 apparently represent current acquisitions of proceeds of exports from the sterling area and other accruing dollar receipts. See (k) below.
- (d) Reflects net change in all dollar holdings payable on demand or maturing in one year.
- (e) For breakdown by types of debits and credits see tabulations prior to March 10, 1943.
- (f) Adjusted to eliminate the effect of \$20 million paid out on June 26, 1940 and returned the following day.
- (g) For monthly breakdown see tabulations prior to April 23, 1941.
- (h) For monthly breakdown see tabulations prior to October 8, 1941.
- (i) For monthly breakdown see tabulations prior to October 14, 1942.
- (j) For monthly breakdown see tabulations prior to September 29, 1943.
- (k) Includes \$ 2.5 million apparently representing current and accumulated dollar proceeds of sterling area services and merchandise exports, and \$3.8 million in connection with the expenses of our armed forces abroad.

PERIOD	U.S. AID									
	Total Official to Foreigners	Official A/C	Other A/C	Total Credits	Gold Sales	Foreign A/C	For Foreign A/C	Other Credits	Total Credits	Total Credits
First year of war (a)	223.0	36.6	306.6	504.7	132.7	30.0	38.0	18.4	180.7	180.7
War period through December, 1940	477.2	16.6	460.6	707.4	524.8	20.9	130.7	63.0	230.2	230.2
Second year of war (b)	460.6	-	460.6	226.8	3.6	88.5	123.9	1.6	79.2	79.2
Third year of war (c)	525.8	0.3	525.5	556.3	198.6	40.5	107.2	31.4	167.2	167.2
Fourth year of war (d)	723.6	-	723.6	958.8	47.3	170.4	743.3	235.2	197.0	197.0
1943	47.2	-	47.2	70.1	-	39.5	22.9	16.0	16.0	16.0
September	32.1	-	32.1	71.3	-	36.2	35.2	6.0	30.2	30.2
October	15.4	0.1	15.3	95.1	-	88.2	69.7	6.5	16.2	16.2
November	176.8	0.3	176.5	55.1	-	35.1	91.4	30.2	30.2	30.2
December	32.3	-	32.3	78.5	-	67.9	46.2	6.0	3.0	3.0
January	25.4	-	25.4	118.5	3.1	98.3	98.3	28.0	2.5	28.0
February	30.3	0.5	29.8	88.6	15.0	50.3	27.4	26.5	3.1	29.9
March	12.8	-	12.8	4.1	-	4.1	8.1	0.5	0.5	0.5
April	172.6	-	172.6	39.5	-	31.1	133.1	8.0	6.5	10.0
May	2.8	-	2.8	1.9	-	1.9	5.0	10.0	10.0	10.0
June	2.9	-	2.9	38.4	-	28.4	25.8	6.0	6.0	6.0
July	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-
October	-	-	-	-	-	-	-	-	-	-
November	-	-	-	-	-	-	-	-	-	-
December	-	-	-	-	-	-	-	-	-	-
1944	12.8	-	12.8	4.1	-	4.1	8.1	0.5	0.5	0.5
January	25.4	-	25.4	118.5	3.1	98.3	98.3	28.0	2.5	28.0
February	30.3	0.5	29.8	88.6	15.0	50.3	27.4	26.5	3.1	29.9
March	12.8	-	12.8	4.1	-	4.1	8.1	0.5	0.5	0.5
April	172.6	-	172.6	39.5	-	31.1	133.1	8.0	6.5	10.0
May	2.8	-	2.8	1.9	-	1.9	5.0	10.0	10.0	10.0
June	2.9	-	2.9	38.4	-	28.4	25.8	6.0	6.0	6.0
July	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-
October	-	-	-	-	-	-	-	-	-	-
November	-	-	-	-	-	-	-	-	-	-
December	-	-	-	-	-	-	-	-	-	-
1945	-	-	-	-	-	-	-	-	-	-
January	-	-	-	-	-	-	-	-	-	-
February	-	-	-	-	-	-	-	-	-	-
March	-	-	-	-	-	-	-	-	-	-
April	-	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-	-
July	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-
October	-	-	-	-	-	-	-	-	-	-
November	-	-	-	-	-	-	-	-	-	-
December	-	-	-	-	-	-	-	-	-	-

Average weekly expenditures for

First year of war 6.2 million

Second year of war 8.9 million

Third year of war 10.1 million

Fourth year of war 13.9 million

Fifth year of war (through April 19, 1944) 15.2 million

(a) For monthly breakdown see tabulations prior to April 23, 1941.

(b) For monthly breakdown see tabulations prior to October 6, 1941.

(c) For monthly breakdown see tabulations prior to September 14, 1942.

(d) For monthly breakdown see tabulations prior to September 29, 1943.

(e) Heliochrome changes in all dollar holdings payable on demand or maturing in one year.

(f) Does not reflect transactions in short term U.S. securities.

(g) Includes \$12.5 million deposited for the September, 1944.

(h) Includes \$5.0 million in connection with the expenses of our armed forces abroad.

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: AMREP, Algiers,
DATED: April 28, 1944
NUMBER: 1287

SECRET

FROM WAR REFUGEE BO RD TO AMBASSADOR WILSON
FOR ACKERMANN, ALGIERS

Please refer your no. 1287 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 Kallech 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 WEB Cable to Algiers no. 6 and it should be paraphrased before you deliver it.

HULL

A-161
10:45 A.M.
SENT BY SECRET AIRGRAM
AMEMBASSY

LA PAZ, BOLIVIA
FOR THE PERSONAL AND CONFIDENTIAL INFORMATION OF THE
AMBASSADOR

The Department has been apprised 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 11, 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.

HULL
GLW

HULL

WHB:GLW:OMH
4/26/44

ARA

KEM

AIRGRAM

Bogota

Dated April 28, 1944

Rec'd 9 a.m., May 9th.

Secretary of State,
Washington.

A-401, April 28, 7:15 p.m.

The Minister of Poland has today consulted me in regard to the following matter. According to information he has received a number of Jews now interned at Vittel, France, bear passports of South American countries, although many of them are of Polish citizenship. It appears that until March 20 the German authorities respected these passports, but that on that date they ordered the deportation of these persons, which may well mean their death. Accordingly, as a humanitarian measure and with a view to saving the lives of these people, the Polish Minister proposes to address a note to the Minister of Foreign Affairs of Colombia, and identical notes to the governments of Venezuela and Ecuador (to which he is likewise accredited) inquiring whether those governments would be disposed to issue a public declaration to the effect that those governments would be willing to accept interned citizens of their respective countries in exchange for German nationals now in these countries. According to the Minister's information, such a declaration by South American countries might well have the effect of deterring the German authorities from taking harsh measures against the internees at Vittel.

The Polish Minister understands that such an exchange under present conditions is impracticable and cannot take place. However, the mere declaration by these governments, he hopes, would serve a useful purpose in preventing inhuman acts. Before forwarding his proposed notes to the governments of Colombia, Venezuela and Ecuador, he has consulted the Embassy to seek assurances that such a proposal on his part would be consistent with the policy of the United States Government. He adds that the American Minister at Bern is informed of the foregoing, and presumably can furnish such further information as the Department may desire.

In view of the fact that the Polish Minister has kindly offered to hold in abeyance his proposed notes to the government of Colombia, Venezuela and Ecuador, pending an expression of the Department's views, it would be appreciated if telegraphic instructions could be forwarded to the Embassy at the earliest possible moment. At the same time, it is suggested that these instructions be repeated to our Embassies at Caracas and Quito.

840.1
PCD/h1

DANIELS

CABLE TO LONDON

From War Refugee Board to Winant

Reference your no. 3224, April 19, 1944.

Please advise Finance Officer of British Foreign Office that American Jewish Joint Distribution Committee hereby requests return to them of 4,968 pounds eighteen shillings tenpence received by Foreign Office on March 8 from American Jewish Joint Distribution Committee for relief in Rome. This sum will be held by American Jewish Joint Distribution Committee in a blocked account on its books in name of Delasem until after war. Please request the Foreign Office to notify Delasem, Rome Branch, of foregoing and that American Jewish Joint Distribution Committee is setting up in the same blocked account in the United States an additional credit up to \$100,000 for the balance of 1944 against which Delasem is authorized by American Jewish Joint Distribution Committee to borrow.

April 26, 1944
2100 p.m.

FH:lab 4/27/44

TELEGRAM SENT

April 28, 1944

2 p.m.

GEM

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

AMEMBASSY

LONDON

3414

FOR WIMANT FROM WAR REFUGEE BOARD.

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. Forgan Mayfair eight four four four to make appointment to consider plans we discussed in London with Phillip Breyfus. Signed Goldmann, world Jewish Congress, New York.
UNQUOTE.

HULL

(GLW)

WEB:GLW:KG

BC

SWP

A-B

FC

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: AMEMBASSY, London
DATED: April 28, 1944
NUMBER: 3434

SECRET

FROM THE WAR REFUGEE BOARD TO AMBASSADOR WINANT

Please refer to 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.

HULL

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London
TO: Secretary of State, Washington
DATED: April 28, 1944
NUMBER: 3481

CONFIDENTIAL

FOLLOWING IS FOR THE ATTENTION OF FEA AND THE DEPARTMENT.

Lists of foodstuffs and medical supplies have not been received from Bern by either MEW or the Embassy. However, due to your request for immediate action, the British Legation was instructed by MEW on April 27 to exercise the widest possible discretion and to approve even items which would be referred normally. The sole qualification was that the British Legation should urgently refer if approval, even given exceptionally would seriously (*) compromise general line we have been taking with Swiss on exports for relief.

We urge that the same procedure as is now applied to other Red Cross exports apply to exports from Switzerland financed with funds remitted at the instance of War Refugee Board.

The difficulty in the present case of requesting the British to approve lists of exports which neither we nor they have seen will, of course, be appreciated by you. We should not care to again make a similar request. Furthermore, we should not wish to suggest that War Refugee Board exports, unlike all other relief exports, be subject solely to American approval, in view of the excellent cooperation received by us from MEW in putting on a joint basis the control of relief shipments from Sweden, Portugal, Switzerland, etc.

The foregoing message was repeated to Bern for the information of our Legation there.

WINANT

(*) Apparent omission.

5-1-44

DRAFT OF A TELEGRAM TO THE AMERICAN LEGATION, HELSINKI

Refer your 341 of April 20. While granting the desirability of an official Finnish statement on victims of Nazi oppression and persecution War Refugee Board feels, and the Department agrees, that the political factors as reported by you may be considered to outweigh any advantages that might accrue through the issuance at this time of such a statement by the Finnish Government.

The Board would appreciate, however, your employing delaying tactics with the Foreign Office in the event that the statement might be considered opportune and of value at some later date. Please continue to keep abreast of developments and possibilities in the movement from Finland of potential victims of the Gestapo should the Germans take action in Finland paralleling that taken by them in Hungary, Rumania and Bulgaria, and keep the Department advised.

April 28, 1944
9:35 A.M.

MStandish:LSLesser:als 4/28/44

AIRMAIL

No. 439

Lisbon, April 28, 1944

Subject: Meeting of Representatives of American Agencies
dealing with War Refugees.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to inform the Department that a meeting of the representatives of the various American private agencies dealing with refugees was held at this Embassy at five p.m. on April 25, 1944.

Present: Messrs. Crocker, Lyon, Lancaster, Miller
and Dexter, representing the Embassy;

Dr. Schwartz and Mr. Filpel, representing
the American Joint Distribution Committee;

Mr. Roland Klein, representing the American
Red Cross;

Mr. Florian Piskorsky, representing the
American-Polish Relief Committee;

Dr. Bernstein and Mr. Spanien, representing
HICEM;

Mr. Philip Genard, representing the
American Friends Service Committee;

Dr. Henry Amiel, representing the
National Catholic Welfare Council;

Mrs. Elisabeth Dexter, representing the
Unitarian Service Committee.

The only

901

The only absentee was Dr. Isaac Weissman, of the World Jewish Congress, who sent a note of regret in which he expressed his desire to cooperate. A copy of this report will be made available to Mr. Weissman.

Mr. Grecker presided and spoke of Dr. Dexter's appointment, representing the War Refugee Board in the Embassy, and his designation as Special Attaché for that purpose. He said that the Embassy desired to be as helpful as possible in any activities within its power for saving refugees.

He then introduced Dr. Dexter, who outlined the aims and purposes of the War Refugee Board.

After expressing his appreciation of the cooperative attitude of the Embassy, Dr. Dexter gave his personal interpretation, based on his contacts in Washington, of the aims and purposes of the War Refugee Board. He said that the War Refugee Board as a Department of Government is first of all expected in common with all other departments to subordinate its activities to those of the Government itself. The main objective of the United States Government today is to win the present war and all activities of any governmental department must be subordinate to that end. This will necessarily mean a limitation of otherwise beneficent humanitarian activities but it is expected that all Americans will understand and loyally support these limitations.

The second objective of the Government is to win the peace which will follow the war and this too may at times impose limitations on the War Refugee Board activities. It should be made perfectly clear that the Board can in no circumstances do anything which would in the slightest degree hinder these two primary objectives of government.

Within these limitations the War Refugee Board was established to perform essentially "an emergency life saving task - aiding people to get out of Nazi-dominated countries."

The War Refugee Board is not primarily concerned with the ultimate destination of these people, but rather with their immediate safety. Other departments of Government and other international organizations will presumably take up where the War Refugee Board ends.

In order to accomplish this task the War Refugee Board must rely to a very large extent on the cooperation of the Allied governments and of the private organizations which have had a long and successful experience in this field. Dr. Dexter spoke of the splendid cooperation which had already been given

the Embassy

the Embassy by the British authorities in Portugal and said there was every reason to believe that similar cooperation would come from the governments of our other allies. It is the War Refugee Board's task to see that the best use be made of this generously extended cooperation.

The attitude of the War Refugee Board toward the private societies was described as follows:-

I. It is not the intention of the War Refugee Board to usurp the activities of private organizations, indeed it would be impossible to do so. On the contrary, the War Refugee Board must depend to a very large extent on the activities of the private societies, and it is its hope that it may strengthen these organizations in their endeavors.

II. The War Refugee Board is prepared to offer certain governmental facilities to the private organizations in the performance of their joint task. These are three in number:-

1) To extend to the private societies, when it is necessary, the facilities of communication with the U.S. and through U.S. representatives in other countries. Some of the private organizations have already availed themselves of these facilities, particularly in cabling. In this connection, Dr. Dexter asked the private organizations to be as careful as possible in the use of Embassy communication facilities since these are already overburdened. When it is essential for the purposes of speed they could consult the Embassy regarding the use of governmental cable facilities, but unless confidential information is involved their cables should be sent in the clear. Where the information is of a confidential nature, then and only then should the Embassy be asked to use its code facilities. Such cases should be presented to the Embassy's representative for decision.

2) The second facility which the Embassy affords is the use of governmental intervention with Portuguese and other governments when necessary. The Embassy has already intervened in regard to visas for children coming from France, and is willing to do so in any case that will help refugees to escape from enemy or enemy occupied territory - again with the provision that such intervention does not affect in any way the War effort.

3) The third facility which the War Refugee Board is willing to offer is ease of necessity is financial. Where individuals could be gotten out and the agencies involved are without funds to cover the costs, it is quite reasonable to approach the Embassy through the appropriate channels. The funds of the War Refugee Board are limited, but Dr. Dexter promised serious consideration to all such requests on the part of the War Refugee Board.

Dr. Dexter

Dr. Dexter also indicated that the War Refugee Board had already used its facilities to secure the granting of 1000 visas for children from occupied France free of the usual affidavit procedure but subject to all the other immigration visa requirements.

So far as the private agencies themselves are concerned the War Refugee Board expects first their full and complete cooperation with it in its endeavors. This involves giving to the representative of the Board all information regarding plans and procedures in getting refugees out of occupied countries and preferably discussion of such plans and procedures in advance. It also involves submitting to the Embassy from time to time reports of activities. Dr. Dexter said that he would appreciate receiving copies of the monthly reports which most of them were now sending to their home offices.

Secondly the War Refugee Board urgently requests of the agencies that they cooperate with each other in the most complete degree possible. They are all engaged, together with the Board, in the same activities and nothing would be more disastrous than competition or organizational strife. All must be willing from time to time to subordinate their own purposes to the ultimate aim, which is the saving of people from death and suffering. This will involve at times certain sacrifices of organizational prestige, but he hoped that the agencies would willingly make such sacrifices. He realized the difficulties involved as the agencies had somewhat different backgrounds and different fundamental philosophies, but since the War Refugee Board was placing the Government behind their activities he hoped these sacrifices would not be impossible. It is for this reason that he urged consultation with him and with the proper officials of the Embassy in advance of plans.

Following Dr. Dexter's presentation the meeting was thrown open for questions.

Dr. Bernstein asked if the War Refugee Board could not help the relief workers in securing visas and validations of passport for countries which they wish to visit in the course of their work. The reply was that the Refugee Board would do what it could, but Mr. Creeker pointed out that there were some countries for which it was very difficult to secure visas at the present time.

Mr. Piskoraky asked if the Board could help to secure licenses for larger sums to be used for sending food supplies, in his case to Poland. Dr. Dexter replied that he thought that might be possible, but that in all such cases our Government must be satisfied that food or money or anything else sent to occupied countries does not get into the enemy's hands. He

reported that

- 5 -

reported that this whole matter was now under consideration here, between the competent representatives of the Embassy and the Financial Attache who is responsible to the Treasury and that new developments might be expected.

Questions were asked by Dr. Schwartz and others concerning the procedure for visas for the 1000 children. It was pointed out by Mr. Lancaster and Mr. Miller that this procedure would have to be similar to that for all emigrants, but that the consular section would try its best to make all allowances possible. It was pointed out that there were other possibilities also beside the U.S. It is hoped that a considerable number of Jewish children would be sent to Palestine. For this purpose, Palestinian certificates are definitely available here. Dr. Dexter announced that some children are expected to arrive almost immediately and he hoped that others would be coming soon.

Dr. Dexter said in conclusion that he hoped that the representatives of the American private organizations would consult with him freely and frequently, that his office at the Embassy was at their disposal. He could not guarantee to accomplish all the things they desired, but he assured them that the Embassy and the War Refugee Board would do everything possible to facilitate their work.

Dr. Dexter also suggested that it might be a good idea for the representatives of the private agencies to meet with him as a group from time to time when new projects could be discussed and difficulties ironed out.

The meeting adjourned at 6:10 p.m.

Respectfully yours,

For the Ambassador:

Edward S. Crocker
Counselor of Embassy

300
ESG/RCD/ajl

CABLE TO LISBON

From War Refugee Board to Norweb

Please deliver the following message to Dr. Joseph Schwartz, 242 Rua Aurea, Lisbon, from Moses A. Leavitt of the American Jewish Joint Distribution Committee:

"We requesting Finance Office British Foreign Office return \$20,000 to us which we will hold as blocked account for repayment after war Stop This done at request Delasen Rome Stop We also requesting London and Bern to notify Delasen that we setting up additional credit up to \$100,000 for balance this year against which they authorized borrow Stop Remitting \$5,000 to you for feed parcels for internees Celle Stop This is experimental remittance and would appreciate your keeping us informed through Legation channels results transmissions Stop Remitted April allotment Jewish Agency Stop Do you recommend continuation Stop We have received no reports from Hirschmann or Resnik and believe you should be kept informed if grants are to be continued! This IS WEB LISBON CABLE NO. 10

April 28, 1944
2100 p.m.

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: AMLEGATION, Lisbon
DATED: April 28, 1944
NUMBER: 1197

CONFIDENTIAL

CABLE TO LISBON

FROM WAR REFUGEE BOARD TO NORWEB

Please deliver the following message to
Dr. Joseph Schwartz, 242 Rua Aurea, Lisbon,
from Moses A. Leavitt of the American Jewish Joint
Distribution Committee:

"Message came through from Mrs. Van Tyne
appealing for help Stop Assume you Saly Mayer. ²
doing everything possible effect her rescue."

THIS IS WRB LISBON CABLE NO. 7 Before deliver-
ing, please paraphrase.

HULL

CABLE FROM THE WAR REFUGEE BOARD TO MINISTER NORWEB FOR DEXTER
AT LISBON

Would appreciate any information you can let us have concerning Hernan Henriques a citizen of the Dominican Republic now in the United States.

THIS IS WRB LISBON CABLE NO. 9

April 28, 1944
9:35 a.m.

LSLesser:als 4/28/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: AMLEGATION, Lisbon
TO: Secretary of State, Washington
DATED: April 28, 1944
NUMBER: 1292

CONFIDENTIAL

The following message for WRB is WRB Cable No. 9.

In getting adults and children from occupied territory, representatives of Belgian Convention, Lisbon, are prepared to cooperate with War Refugee Board. However, instructions from the Belgian Government in London are desired by the Belgian Legation here. It is suggested that the Belgian Government be approached as regarding its attitude if the War Refugee Board agrees and the Department concurs. We suggest that information be furnished its representatives in event that it does not participate in program.

NORWEB

CABLE TO BERN

From War Refugee Board to Harrison

Reference your 2592 of April 22, 1944.

Please notify Delasem at once that (1) arrangements are being made for retransfer to blocked account with American Jewish Joint Distribution Committee in United States of \$20,000 credit established in London for Delasem and (2) American Jewish Joint Distribution Committee is setting up in some blocked account in United States an additional credit up to \$100,000 for the balance of 1944 against which Delasem is authorized by American Jewish Joint Distribution Committee to borrow.

Please advise Saly Mayer of foregoing.

THIS IS WRB BERN CABLE NO. 11

April 26, 1944
2100 p.m.

PH:lab 4/27/44

CORRECTION

April 28, 1944

In cable from Bern 2677 April 27, 8 a.m. re
Jewish question in Italy page 1 line 10 and 11 delete
"request for" insert "the Milan".

DIVISION OF COMMUNICATIONS AND RECORDS

CEB

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
 TO: AMEMBASSY, Ankara
 DATED: April 28, 1944
 NUMBER: 379

CONFIDENTIAL

FROM WAR REFUGEE BOARD TO THE AMBASSADOR

Please refer to your no. 712 of April 19 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 choice to be left to the Swedes though the BARDALAND seems likely and conditional on Russian and German naval and 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.

No. 379

- 2 -

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.

HULL

WORLD JEWISH CONGRESS
CONGRES JUIF MONDIAL CONGRESO JUDIO MUNDIAL
330 West 42nd Street
New York 18, N.Y.

April 28, 1944

Mr. Lawrence S. Lesser
War Refugee Board
Executive Office of the President
Washington, D. C.

Dear Mr. Lesser:

We received from Dr. Lav Stern, a Yugoslav Jewish leader at present in Palestine, a letter from which the following excerpts may be of interest to you:

"There recently arrived in Suez a transport of about 5,000 people from Yugoslavia, of whom at the most 10% are Jews. They are brought from Partisan family camps in Lika and from the Dalmatian islands. They called at various South Italian ports, brought with them a few more Yugoslavs, among whom there were some Jewish refugees and after a comparatively a short voyage, arrived here and were placed in camps which are being gradually extended.

"It seems that there are no more Jews on the Croatian coast and Dalmatian islands. From Rab there arrived in Southern Italy ~~no~~ more than 600 of our people, which means that about 2,000 of those who were on Rab are missing and it is presumed that they were taken by the Partisans to Lika to the winter quarters, when Rab was liberated the first time by the Partisans. Some of these 2,000 arrived, or we hope will arrive in the Suez Canal.

"Correspondence with Southern Italy goes only through the army, it takes too long, particularly parcels, and is unreliable. Palestinian soldiers came to the camps as brothers and liberators, given and do a lot, behave splendidly, cheer and elevate the spirit of these sufferers, who are now in a much better situation. Food and living quarters have been considerably improved, the only thing lacking is shoes. A lot of parcels were sent from here and we are now going to concentrate upon sending shoes."

Sincerely yours

Dr. A. Leon Kubowitzki, Head
Rescue Department

ALK:ef

NOT TO BE RE-TRANSMITTEDCOPY NO. 11SECRETOPTEL No. 136

Information received up to 10 a.m., 28th April, 1944.

1. NAVAL

On 20th one of H.M. Submarines shelled a locality on north coast of SUMATRA at short range almost entirely destroying a goods train. On 22nd, one of H.M. Submarines sank a coaster and a steam launch by gunfire in MALACCA STRAIT.

2. MILITARY

BURMA. Increase of enemy activity near BISHENPUR and on track running west to SILCHAR. About 1,000 Japanese encountered in this area. Japanese were still holding parts of outskirts KOHIMA on 25th.

3. AIR OPERATIONSWESTERN FRONT. 26th/27th.

ESSEN. 701 tons H.E. and 1136 incendiary dropped. No cloud, good visibility, bombing well concentrated on markers. Strong fires developed quickly. Considerable heavy AA and about 250 searchlights.

SCHWEINFURT. 130 tons H.E. and 549 incendiary. Some cloud and also smoke screen in operation, success uncertain.

VILLENEUVE ST. GEORGES. 836 tons H.E. Weather clear, goods yards identified visually, markers accurate and bombing well concentrated. Ground defences weak and very few fighters.

27th. 477 U.S. heavy bombers dropped 1,583 tons on military constructions Northern France. A further 486 sent to airfields and railway centres in FRANCE. No reports yet. About 600 medium and light bombers and 350 fighter bombers sent against coastal batteries and other objectives in FRANCE and BELGIUM. Full reports not yet received. Enemy casualties 9, 0, 10. Ours 9 bombers, 9 fighters missing.

27th/28th. Aircraft despatched:

FRIEDRICHSHAFEN	332 (19 missing)
AULNOYE Goods Yards	223 (1 missing)
MONTZEN Goods Yards near AACHEN	144 (15 missing)
Other minor operations	101 (1 missing.)

At FRIEDRICHSHAFEN weather clear, markers well placed and bombing concentrated. At MONTZEN markers seen through thin cloud and most bombs fell on aiming point. 55 German aircraft operated off South coast, of which 18 over PORTSMOUTH area where sea mining suspected. 1 aircraft destroyed by Mosquito.

ITALY. 24th/25th. About 35 enemy aircraft bombed NAPLES City and airfields; only minor damage reported. 1 enemy aircraft destroyed.

25th. 860 aircraft sent on offensive operations mainly against enemy communications.

April 29, 1944
10:03 a.m.

HMJr: Hello.

Overseas
Operator: Hello, Mr. Morgenthau?

HMJr: Speaking.

Overseas
Operator: We're ready on your call to Moscow.

HMJr: Thank you.

Operator: And in the interest of National security, you are requested to refrain from discussing the departure or arrival, name or location of ships, military topics of any kind, technical weather information, or any other information which may be of aid or comfort to the enemy.

HMJr: Yes. Hello. Hello.

Treasury
Operator: Shall I hold it for you?

HMJr: No, I'll -- I'll hold it.

Operator: All right.

HMJr: (Aside: What? May be.) Mrs. Spangler.

Operator: Yes.

HMJr: As soon as he comes on, then you get off so I can get all

Operator: Yes, I will.

HMJr: conversation -- I mean, I want to get all the clarity I can.

Operator: All right.

HMJr: Thank you. (Pause)

Overseas
Operator: Go ahead, please.

HMJr: Hello. Hello. (Aside: Tell Mrs. Spangler to hold up my call, because I'll do it on the other phone. Hold up my call. Not to put the call through to Winant -- hold it up.)

- 2 -

Operator: All right, Mr. Morgenthau.
HMJr: Oh, she's here.
Operator: Right here.
HMJr: Oh, all right. I'd forgotten she was there.
Overseas
Operator: Thank you. Go ahead.
HMJr: Hello.
Maxwell
Hamilton: Hello.
HMJr: Hello.
H: Hello, Morgenthau?
HMJr: Averill?
H: Hello.
HMJr: Hello, Averill?
H: Yes.
HMJr: Hello.
H: Hello.
HMJr: Who is
H: Hello.
HMJr: Hello.
Operator: Yes, sir.
HMJr: Who is this?
Operator: Spangler.
HMJr: Well, what country?
Operator: Moscow.
HMJr: Right. Hello. Hello.

H: Hello.
HMJr: Hello.
H: Morgenthau?
HMJr: Hello.
H: Hello.
HMJr: Averill?
H: Yes.
HMJr: Can you hear me?
H: Very faintly.
HMJr: No, I can't hear you.
H: Very faintly.
HMJr: Now, I hear you better.
H: Yes.
HMJr: Hello, Averill?
H: This -- this is Hamilton. Hello.
HMJr: Is this Harriman?
H: Hamilton.
HMJr: Hello.
H: He is not in Moscow.
HMJr: What's that?
H: Hello.
HMJr: Is -- is this the American Embassy?
H: Yes.
HMJr: Well, who is this talking?
H: Hamilton.

- 4 -

HMJr: Hamilton.

H: That's right.

HMJr: Well, now did you get my message?

H: Yes, we got it two hours ago.

HMJr: Repeat, please.

H: We got it two hours ago.

HMJr: Yeah, I hear you now. Well, have you any message for me?

H: We took it up at once - no reply yet.

HMJr: I see. Is this the first time you've taken it up?

H: Hello.

HMJr: Have you -- is today the first time you've taken it up?

H: I can't hear you.

HMJr: Is today the first time you have taken it up?

H: I can't hear.

HMJr: I'll repeat.

H: Yes.

HMJr: I understand you've taken it up, but is today the first time you've brought it to their attention?

H: No, the second.

HMJr: The second?

H: We took up the previous cable

HMJr: Yes.

H: the same day we received it.

HMJr: I see.

- 5 -

H: The last cable, Number 77, we received only two hours ago.

HMJr: I see. And you've had no reply?

H: We have had no reply.

HMJr: Well, will you try and get a reply either today or tomorrow?

H: Yes.

HMJr: I would like very much to have an answer from you by Monday morning.

H: We will do our best.

HMJr: Hello.

H: Hello.

HMJr: I say, I would like to have an answer from you by Monday morning.

H: Yes, I heard. We will try.

HMJr: And -- well, I guess that's about all.

H: All right.

HMJr: Thank you very much.

R: All right, not at all.

HMJr: Thank you, Mr. Hamilton.

H: Good-bye.

HMJr: Good-bye.

VMT-581

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

Moscow

Dated April 29, 1944

Rec'd 5 p.m.

Secretary of State,
Washington.

US URGENT

1506, April 29, 5 p.m.



Please inform the Secretary of the Treasury that, as I explained to him when he telephoned this afternoon, the Department's telegram No. 1052, April 27, 8 p.m., reached the Embassy only a short time before his phone call. Upon receipt of the telegram I at once got in touch with Mr. Molotov's office and asked for a reply to the question raised by Mr. Morgenthau, if possible by the time Mr. Morgenthau should telephone. As the reply was not available by that time, I have, subsequent to my conversation with Mr. Morgenthau, again taken the matter up urgently with Mr. Molotov and have informed him that Mr. Morgenthau would very much appreciate a reply by Monday morning.

HAMILTON

WHB
EH

April 29, 1944
10:20 a.m.

CALL TO LONDON

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

H.M.JR: The only thing I don't understand - "...because of the ultimate success in carrying through objectives of Article 7" - what is that?

MR. WHITE: That is the provision which relates to settlement of the Lend-Lease payments under conditions which will not burden--

H.M.JR: Article 7 of what?

MR. WHITE: Of the Lend-Lease agreement.

MR. BERNSTEIN: Master Lend-Lease agreement.

H.M.JR: After reading this thing, what advice have you got to give me? (Refers to cable from Ambassador Winant) I had Winant and I don't see any sense in talking to him.

MR. WHITE: It seemed impossible to have a conference while the Republicans were having theirs, because it would look as if you are deliberately trying to interfere with them.

H.M.JR: Interfere with them!

MR. WHITE: Steal their thunder or publicity.

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MR. O'CONNELL: All of our thinking so far has been on the basis that we would have to have the conference the latter part of May in order to have it out of the way before either the Democratic or Republican Convention. Now, if we move the schedule back a couple of weeks, that will move it forward enough so that it will, in point of time, hit the Republican Convention before it is over. If we move it beyond that, it will either be just before or during the Democratic Convention.

All of our discussions - the Democratic Convention is the 19th of July and the Republican Convention wouldn't be over until the first of July, at the very earliest.

H.M.JR: Why don't we simply do this: It seems to me the thing to do is to send this to the President and simply say, "My dear Mr. President: I am in receipt of the following cable from Winant. Our understanding with you has been that we would have this monetary conference during the month of May. In view of what Mr. Winant informs us, this now seems impossible. May I point out to you that a delay of two weeks would bring the conference in the middle of June" - is that right, two weeks? "...and the Republicans are holding their convention June 25. Some of the people associated with me here in the Treasury may be unduly alarmed, but they question the advisability of having a monetary conference running simultaneously with the Republican"--

MR. WHITE: Overlapping, rather.

H.M.JR: "...overlapping with the Republican Convention. I would like advice from you as to whether we should go ahead, irrespective of the Republican Convention, or whether we should postpone it until" - when?

MR. O'CONNELL: Probably until after both Conventions have been completed.

H.M.JR: I can't hear you.

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MR. O'CONNELL: I think we ought to suggest as the alternative, probably, postponing the monetary conference until after both Conventions are over.

(Reporter leaves conference temporarily to have typed draft of letter to the President)

H.M.JR: What you fellows have to get through your head is, this, to us, is terribly important. We have made it the most important thing in the Treasury. To them it isn't; to Winant it isn't. You have got to remember they are on the eve of an invasion, they are right twenty miles from the German front.

MR. WHITE: Well, I think that is putting it on, I would be inclined to say, not a correct basis. I think this is more important to the British than it is to us.

H.M.JR: I say they don't think so.

MR. WHITE: I think that the British Treasury does.

H.M.JR: They show no signs of it.

MR. WHITE: They show plenty of signs, orally. I don't know about in the Exchequer's message--

H.M.JR: I am trying to tell you, if I was there and Chancellor of the Exchequer and a member of the War Cabinet, and on the eve of my country being a jumping-off place for an invasion, that this wouldn't seem terribly important.

MR. WHITE: England is the jumping-off place--

(The Secretary holds a telephone conversation with Ambassador Winant, London, as follows:)

April 29, 1944
10:40 a.m.

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HMJr: Hello.

Operator: London is coming on.

HMJr: All right.

Operator: The Secretary is on the wire.

HMJr: Hello.

Overseas
Operator: Hello.

HMJr: Yes.

Overseas
Operator: I'd like to advise you

HMJr: I know -- I know it, but you can go through it if you have to.

Overseas
Operator: All right, sir.

HMJr: I -- I mean, I've just talked to Moscow, and you told it to me once, but I'm -- want to do it again?

Overseas
Operator: No, it isn't necessary, sir.

HMJr: Thank you very much.

Overseas
Operator: Thank you. Just a moment. (Pause) Go ahead, please.

HMJr: Hello.

Ambassador
Winant: Hello.

HMJr: Winant?

W: Yes. Hello, Henry.

HMJr: G11?

W: Yes.

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HMJr: How are you?

W: I've got to give you a warning before I --
I'm allowed to talk with you.

HMJr: Yes.

W: The enemy is recording your conversation and
will compare it with previous information --
great discretion is necessary -- any indiscretion
will be reported by censors to the American
authority. Thanks, Henry. Ah -- hello? Hello?

HMJr: Yes.

W: Thanks, Henry.

HMJr: All right.

W: How are you?

HMJr: I'm all right.

W: That's fine.

HMJr: I wanted to ask this:

W: Yes.

HMJr: is there any pos -- I got your cable

W: Yes.

HMJr: and I've read it

W: Yes.

HMJr: now, is there any possibility of shortening
the time which you mentioned in the cable?

W: I hope one week.

HMJr: You hope one week?

W: Yes, but I didn't want to say that to you.

HMJr: I see.

W: I -- I wanted to surprise you, if we could.

HMJr: But you think it might be shortened a week?

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W: That's right.

HMJr: Well, that would be very useful.

W: Well, I'll try my best to do that.

HMJr: Yes.

W: And I've - I've talked a week here.

HMJr: I see. And I - I - am I going to get a message -- any other message from Sir John, or is this message I've got from you in place of that?

W: No, if I can - I - what I wanted to do was to -- to get that to you

HMJr: Yes.

W: then hear from you, and then ask him to send - send a message which would, I hope, ah - fix a - fix a time.

HMJr: Well, now, do you expect an answer from me - a formal answer to your cable?

W: No, not at all, Henry.

HMJr: I didn't think it called for an answer.

W: No, not at all.

HMJr: No.

W: No - no. I just - I just was - that was just - I - I wanted you to understand - ah - how - how that thing stood.

HMJr: Yeah. Now, would you mind just holding on one moment, please?

W: Certainly.

HMJr: Just a (Pause) Ah - G11

W: Yes.

HMJr: The fact that it might be a week, is that your own view, or is that the view of my opposite number?

W: It's the view of -- it was what was suggested by him.

HMJr: I see -- I see. Well, all I can sug -- say is, we had a very tight time

W: Yeah, I understand. I think -- I -- I -- I understand the whole business.

HMJr: And, there are other things happening in this

W: I know -- I -- I

HMJr: You got that?

W: I understand.

HMJr: Well, your -- but if we did hear within a week, I think we could go ahead.

W: All right.

HMJr: And -- at least that would be my hope. So

W: I -- I -- I meant by that, the -- the schedule's out a week.

HMJr: Pardon me?

W: I meant the schedule's out a week.

HMJr: Out a week?

W: Yes, I suggested two weeks in the message.

HMJr: That you would hear? Their -- their schedule, yes.

W: Yes.

HMJr: That there would be telescoped into one week?

W: Ah -- yes. The two weeks that had -- not you -- you're getting a message in the next day or two

HMJr: No?

W: But had to do with your scheduling -- at the other end.

HMJr: I see.

W: You see?

HMJr: No, I don't quite understand.

W: Well, you set up certain dates

HMJr: Yes.

W: over there

HMJr: Yes.

W: and this would mean that -- ah -- instead of two weeks -- putting them off two weeks -- I -- I hope they'll only be put off -- forward one week.

HMJr: And -- I see. Well, that would be very helpful.

W: And -- and, as I -- there's no reason why in the next two or three days I can't get something definite to you

HMJr: Well....

W: as to that.

HMJr: Well, that -- that would help.

W: All right.

HMJr: Anything that you can let me know within the next couple of days would be most helpful.

W: All right. All right, Henry. I -- I -- I won't do anything before Monday.

HMJr: Nothing before Monday?

W: But I -- I'll try -- I'll get to work on it on Monday.

HMJr: Well, that would be fine. I know your

W: Sir John's away; otherwise, I would at once.

HMJr: Ah -- well, I know what Saturday and Sunday is over there.

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W: Yes.

HMJr: Well, thank you very much.

W: All right.

HMJr: And may I say that we, over here, appreciate the great help you've given us.

W: All right. I -- I -- I only wish that -- wish I could do more.

HMJr: Well, you've done a lot, and we -- we wouldn't have gotten any where if it hadn't been for the help you've given us.

W: That's -- thank you ever so much.

HMJr: And, Harry White sends you his best regards.

W: Right. And give my -- give my best too, to him, please.

HMJr: Right.

W: All right. Thank you ever so much.

HMJr: Good bye.

W: Good bye.

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MR. WHITE: I understand you might hear in two or three days, but it would postpone the date a week after the suggested date of the conference.

H.M.JR: That is what he hopes.

MR. WHITE: Of course, that would run smack into your program.

H.M.JR: Don't worry about my program. You have a lot of things to worry about. I will take care of that.

MR. WHITE: I wasn't worrying, but just reminding you about it.

H.M.JR: What he said was that he hoped that instead of May 26 it would be, maybe, June 3. I am glad I called. It ought to make you feel a little bit better.

On second thought, I think it would be a great mistake to send anything to the President until we hear from the Russians, because he sort of has the feeling we know what we are doing, and we are going forward.

MR. WHITE: Why did you let him know if there was this uncertainty, and that uncertainty - yes, I think you are quite right.

H.M.JR: He feels, as I say, as though we knew which way we were going.

MR. WHITE: Finally you can raise the question of an overlapping.

H.M.JR: The Russians may say, "We need three weeks," or, "We don't want to go along."

MR. WHITE: How did you leave it with Hamilton? There is no need to call him up again? He is going to cable? He hadn't heard, and the assumption is he will cable when he does hear.

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H.M.JR: Yes. I said I would like very much to have something by Monday.

There is nothing more we can do this week?

MR. WHITE: No, nothing. Dean Acheson will hear about this directly. I don't see any particular value in discussing this with him, but I think I will report the gist of your telephone conversation.

H.M.JR: That will be good.

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4/29/44 -

Hold -

My dear Mr. President:

I am in receipt of the following cable from Mr. Winant:

Our understanding with you has been that we would have this monetary conference during the month of May. In view of what Mr. Winant informs us, this now seems impossible.

May I point out to you that a delay of two weeks would bring the conference in the middle of June, and that the Republicans are holding their convention June 25. Some of the people associated with me here in the Treasury may be unduly alarmed, but they question the advisability of having a monetary conference overlapping with the Republican convention.

I would like advice from you as to whether we should go ahead irrespective of the Republican convention or whether we should postpone the monetary conference until both conventions are over.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

TO Secretary Morgenthau

April 29, 1944

FROM Messrs. White and O'Connell

Yesterday morning representatives of the Treasury Department participated in a meeting held by representatives of State, Justice, FRA, War, Navy, and the APC, in Dean Acheson's office to consider steps which should precede or accompany the forthcoming negotiations with Sweden, in order to impress the Swedish Government with our determination that exports to Germany of Swedish ball bearings, steel, and other vital materials must cease. The Swedes will apparently be requested to embargo exports of strategic materials to all foreign countries (including Great Britain and the United States) which would, of course, have little effect upon any country except Germany.

The first point considered was the desirability of conducting an investigation on the premises of SKF enterprises within the United States and of Brown Brothers Harriman (which handles the financial interests of SKF in this country). The investigation would be conducted not only for the psychological effect it would have on SKF, Sweden, and the Swedish Government, but also because information presently available indicates that as much as 30 percent of the stock of SKF, Sweden, may be owned in Germany. It was agreed that such an investigation should be begun immediately and that Treasury, Justice, and the Alien Property Custodian would participate. This morning our investigators actually entered the premises of SKF Philadelphia, SKF Steel, New York and Brown Brothers Harriman, and began the investigation. It was also agreed at the meeting yesterday that pending the outcome of the investigation all transactions on the part of SKF with Sweden should be handled by specific license and that remittances of royalties, dividends, profits, etc. should not be permitted. The State Department is also requesting the British to immediately undertake a similar investigation on the premises of the SKF enterprises in England.

The discussion then turned to a consideration of additional ways, not inconsistent with our War Trade Agreement with Sweden, of bringing pressure to bear on Sweden during the negotiations. Treasury representatives pointed out that once the basic determination had been made that pressure should be applied, numerous steps could be taken under Treasury powers, such as revocation of the Swedish general license or the exclusion from the license of

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various categories of transactions. Some consideration was given to the desirability of revoking the Swedish general license immediately, but State was reluctant to take this step before the negotiations are resumed. It was agreed, however, that measures short of the complete revocation of the general license might be taken and Treasury was asked to prepare a list of such steps.

Arrangements are now being made to begin the investigation of SKF and the list of suggested pressures is being prepared. You will be kept advised of further significant developments.

Jagur J. O'Rourke

THE UNDER SECRETARY OF THE TREASURY
WASHINGTON

April 29, 1944

MEMORANDUM FOR THE SECRETARY'S FILES:

In a conference with the Secretary this morning I told him I was somewhat concerned about two aspects of the proposed banking operation which we expect to establish at Sherman Oaks, California.

1. At a conference several days ago the Secretary, Mr. Delano and I agreed, after discussing the matter for some time, that it would be much better to establish a facility at Sherman Oaks than to establish a branch bank. I told the Secretary that after thinking this matter over, I was not sure that I made it clear that we were using public funds to establish this facility. We would have to give whatever bank established this facility an initial deposit which would be invested in 2% depositary bonds or allow the bank to invest its own funds in 2% bonds, the profits from which would help to pay the cost of operating the facility. I just wanted to be sure he understood this phase of the matter. I told him that while we probably could make a good case for establishing such a facility, we might be subject to some criticism. I thought it was closely enough connected with the war activities in that territory to justify our participation in it. The Secretary said he thought I was putting up the worst side of the case, to which I agreed, but he thought we ought to go ahead in view of all the circumstances. I said we would, therefore, proceed with the facility.

2. The other point concerns the bank which will be offered the facility. I told the Secretary that the Bank of America had on previous occasions made application for a branch bank at this point and the Comptroller had turned down these applications. It had recently, in effect, again made application through the office of Senator Downey and the Comptroller of the Currency has had one or two conferences with the Senator about the matter. At the time we discussed it it was thought we might offer the facility to other banks in the neighborhood. This week Mr. Elliott, Vice President of the Security-First National Bank of Los Angeles, which is the bank Mr. Delano mentioned at the conference and which has a branch within a few miles of Sherman Oaks, came in and talked with Mr. Batchelder about the situation at this place. Mr. Batchelder explained that in selecting a bank for a facility job it was our customary procedure to tender the job to the bank that had the larger interest based upon deposit balances previously acquired.



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Mr. Elliott indicated that if we followed our usual procedure in this case we would undoubtedly select the Bank of America, because that bank due to the location of its two branches, one at Van Nuys and the other at Studio City, would be carrying on its books the larger percentage of the commercial accounts and the personal accounts arising out of the Sherman Oaks area. He indicated that his bank would have no objection if another bank were chosen to put in a facility at Sherman Oaks and he indicated that he did not think his bank would be interested. We have offered this bank facilities at other spots in an attempt to spread the business in California, but they have declined to accept these facility jobs. He did, however, leave the impression that his bank probably would do the job if the Treasury requested it. We have not contacted the California Bank.

I told the Secretary, in view of the fact that the Bank of America had made application for a branch at this place and the further fact that it seemed to have a larger share of the business of this community than either one of the other banks, I felt that if we didn't give the facility to the Bank of America we would be in for another fight with Gianinni; I did not believe that this was any time for fights of this character, and I did not believe it was important enough to take on a fight. The Secretary said he thought that was right. He too did not want to take on any further fights with this bank; he thought we had gotten along very well in the last few years and he would like to see it continue, although he doesn't want to see them expand any further if it can be prevented. He made this statement appreciating the fact that we have given a great many facilities to this bank in the California area.

In view of the above I think we are now in a position to offer the facility job to the Bank of America.

SWB

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Original to Mr. Gamble
Photostat to Mr. Smith

DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON

29 April 1944

Dear Henry:

In reply to your letter of April 25 to the Secretary of the Navy, I assure you that a directive such as you suggest, arranging for the Navy's cooperation in the Fifth War Loan Drive, will be issued very shortly. The same liaison arrangements which have worked so well in the past will be continued.

Sincerely yours,

James Forrestal

James Forrestal
Acting Secretary of the Navy

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

5/3/44

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Original to Dr. White

Joe O'Connell

April 29, 1944

Secretary Morgenthau

If my memory serves me correctly, at least a week ago I gave you a report sent to me by Gaston on Treasury employees working for McQuillan in New York. I asked for your recommendation, and so far, I have not received any. Please talk to me about it today. *Finished.*

O'Connell's report in 4/21/44.

WAR PRODUCTION BOARD
WASHINGTON, D. C.

April 29, 1944

My dear Mr. Secretary:

You will recall that you telephoned to me on March 15 to ask for a report on our aluminum situation.

I have now received a memorandum from Mr. A. H. Bunker, Vice Chairman for Minerals and Metals, which is forwarded to you herewith.

If we can be of further assistance in this matter please do not hesitate to call upon us.

Sincerely yours,



Donald M. Nelson

The Honorable

The Secretary of the Treasury

Enclosure

C O P Y
WAR PRODUCTION BOARD
WASHINGTON, D. C.

NELSON

MEMORANDUM

To: Mr. Donald M. Nelson
From: A. H. Bunker

Replying to your memorandum of March 17, 1944, concerning the report on our aluminum position requested by Secretary Morgenthau, we have prepared a careful detailed analysis of the supply-requirements situation for 1944 and 1945. Arrangements are being consummated to postpone delivery of 100,000,000 pounds of aluminum scheduled for 1944 from Canada to 1945. We do not at this time plan to curtail domestic aluminum production further although the manpower situation may make this inevitable. We have, however, assumed that the current rate of production will continue through 1944.

On the basis of estimated shipments of aluminum which have been calculated from order-load experience and the requirements of the W-9 aircraft schedule, we will end the year with total stocks of 429,500,000 pounds, including Metals Reserve stocks and surplus in the hands of private industry.

Assuming that the W-9 aircraft program continues through 1945, our figures show that we will have to resume operations in certain of our domestic plants toward the end of the second quarter of 1945, or as an alternative arrange for additional shipments from Canada over and above present contracts in the last half of 1945.

It is obvious from the above that if the W-9 aircraft schedule continues through 1945 and if our estimates of aluminum shipments turn out to be approximately correct, we cannot contemplate cancelling any part of the Canadian contract. Any cancellation could only be considered if the war should end before the middle of 1945, or if the aircraft program should be radically curtailed.

It is estimated that we will have purchased from Canada, available for domestic consumption, 387,273,000 pounds of aluminum for the entire year of 1944, and 217,868,000 pounds in 1945. During the year 1944, the United Kingdom will purchase from Metals Reserve Company an additional 54,877,000 pounds of Canadian Metal, which amount will be deducted from and credited against the Metals Reserve contracts

th Canada. This metal will be paid for in American dollars to the United States at the rate of 15¢ per pound, plus escalator charges, estimated to be approximately 3¢ per pound. Of this amount, 13¢ per pound, or \$7,134,010, will be paid to Canada, 5¢ per pound being retained by Metals Reserve Company.

For the 387,273,000 pounds of metal purchased by Metals Reserve Company in 1944, Canada will be paid at the rate of 10¢ per pound, plus approximately 3¢ per pound escalator charge, or \$50,345,490. Therefore, the entire amount of U. S. funds paid to Canada in the year 1944 will be approximately \$57,479,500.

In the year 1945, for 217,868,000 pounds of aluminum purchased by MRC, Canada will receive approximately \$28,322,840. The amounts involved cannot be predicted more accurately because of the fact that adjustments are likely to be made in the escalator charges, but from present indications these should not exceed the estimated figure of 3¢ per pound.

In answer to Secretary Morgenthau's question as to whether we could cancel the contract and what it would cost us, the contracts provide for six months' notice before cancellation. If notice should be given on May 1, 1944, cancellation could be effected as of November 1, 1944. The cost to Metals Reserve Company in that event would be 5¢ per pound advance payment retained by Canada, or \$11,150,000, plus 1¢ per pound penalty on the undelivered balance of Contract No. 4, or \$1,440,000. The entire cost would therefore be \$15,590,000, of which \$14,150,000 has already been paid as advances under the contracts.

/s/

A. H. Bunker



TREASURY DEPARTMENT

PROCUREMENT DIVISION

WASHINGTON 25



OFFICE OF THE DIRECTOR

April 29, 1944

MEMORANDUM TO THE SECRETARY:

Senator Brooks has made an urgent request that we release passenger vehicles for sale to the State of Illinois. He expressed the opinion that the need would be for about 150 to 200 cars and referred to floods necessitating transportation equipment.

I asked that he obtain more specific information for me, and his office advised me this noon of a message from the Director of Public Safety reading " * * * badly in need of 25 automobiles * * * present floods have created conditions seriously endangering life and property in many areas throughout the State * * * this situation makes it imperative that 25 new Federal Government automobiles be released for immediate purchase." Also, a message from the State Director of Public Health " * * * seriously need immediate acquisition of 25 new Federal Government automobiles for five medical officers and fifteen Public Health nurses and five sanitarians, flood emergency health services will be immediately impaired without cars, * * * urgently request that new automobiles be released immediately for purchase."

I recommend that the 50 cars referred to as urgently needed be furnished. Do you agree? To avoid delay, I have instructed our Regional Director in Chicago to prepare for the prompt transfer of vehicles pending your approval.

Clifford E. Back
Clifford E. Back
Director of Procurement

memo:

I am pleased with the way you handled this. J.M.H.

Developments during the week of
April 24 - 29, 1944

1. COOPERATION WITH OTHER GOVERNMENTS

(a) United Nations

(i) Great Britain

In a cable from Ambassador Winant we have been advised that, in line with our request, the British Government has been asked to approve the diversion of a Swedish ship from the Greek relief fleet for the purpose of carrying additional refugees from Constanza to Turkey. Because of the urgency of the matter, Winant simultaneously approached the head of the Relief Section in the British Ministry of Economic Warfare. Although the reply of the British Government has not yet been received, Winant reports that the MEW official has now agreed to such a diversion. Choice of the ship to be diverted would be left to the Swedes, though use of the "S.S. Bardalanda" seems most likely if Russian and German naval and air safe-conducts can be obtained.

We are asking Winant to take up with the Swedes the matter of the use of such a boat as soon as formal British approval has been obtained. We are also asking Winant to inform the Swedes that the necessary financial arrangements for the use of the vessel will be made by the Board.

In response to a line of action previously suggested to Winant, both the British Foreign Office and the Ministry of War Transport have now been approached on the matter of enlisting the assistance of the British representative on the Mediterranean shipping board (MEDEC) in exploring the possibility of arranging for the use by the Turkish Government of an Italian ship during the projected diversion to evacuation operations of a Turkish vessel. "Generally favorable" instructions are reported to have gone forward on this score.

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Information available to the Board indicates that Switzerland and other neutral countries contiguous to enemy-held territory 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 foodstuffs were granted. Accordingly, we are cabling Winant, asking him to undertake to obtain from the appropriate British authorities prompt concurrence in our position that definitive assurances should be given to the neutrals that additional food and clothing will be allowed through the blockade, subject to appropriate safeguards, in amounts sufficient to meet increased needs arising from their reception of refugees. We have been advised in this connection that a meeting held at the Ministry of Economic Warfare in London in March, to discuss with the Swiss the possibility of their receiving still more child refugees from German-held territory, touched upon this question.

Dorothy K. Brown (Mrs. La Rue Brown) has been named assistant to the Board's Special Representative in Great Britain. The Board's Special Representative for that country is yet to be named.

(ii) Russia

In a recent cable to Moscow we indicated to Ambassador Harriman that, subject to his approval, we proposed to name Robert J. Scovell, former representative of the American Red Cross in Russia and now on the headquarters staff of that organization, as Special Representative of the Board in the Soviet Union with the designation as Special Attache to the Embassy on war refugee matters. Harriman has replied that in his opinion it would be definitely inadvisable that such a representative be sent to Russia. Matters of this sort, he pointed out, must be handled with high officials of the Soviet Government who do not receive attaches or junior officers of the Embassy. It was also suggested that such a representative would not be permitted to travel about the country or to develop direct contacts with various agencies of the government. In the event of any substantial increase in the volume of war refugee work in Russia, however, Harriman indicated that he would wish to review the situation and at that time express his views as to the type of representative required for the work involved.

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(iii) French North Africa

In a despatch from the U.S. Legation in Algiers we have been advised that the question of the issuance of special instructions by the French Committee of National Liberation to implement cooperation with this Government on war refugee matters has been discussed with a French official. The issuance of a declaration of policy similar to the President's statement of March 24 is also reported to be under consideration.

(iv) Australia

According to a cable from Canberra the U. S. Legation there has sent a formal note to the Minister for External Affairs, stressing the urgency of the refugee question and asking for Australian cooperation. A reply stating the position of the Australian Government has been promised at an early date.

(v) India

We have been advised through the U.S. Mission in New Delhi that a reply has been received from the Indian Government in response to the Mission's note requesting cooperation in war refugee matters. India's refugee problem, according to this reply, is "probably greater than that of any other allied or neutral country." An official statement accompanying the reply indicates that in addition to some 500,000 evacuees from British colonies in southeast Asia and from China, an estimated 3500 Poles and a scattering of Europeans of various other nationalities have been given refuge in India since the outbreak of hostilities. The Indian reply points to the possibility of a "further liability for 8,000 additional Poles." It is also suggested that the advance of the Allied armies into Burma may well result in a renewed flow of refugees from Burma into India. "In the light of the present food and accommodation problems and the general economic situation" the Indian Government concludes that it is not in a position to accept more war refugees.

(vi) Greek Government-in-Exile

In a recent report from the American Consul General in Istanbul we were advised that the task of rescuing many hundreds of Jews in Greece now threatened with deportation and death is primarily a question of organization and financial support. We have in turn asked the Consul General to develop in greater detail his suggestions for the evacuation of Greek Jews and non-Greek refugees in cooperation with local patriots and Allied escape services operating in that area. We have also indicated that we believe it is possible to arrange for the necessary funds and assistance.

In a cable to Ambassador MacVeagh and Minister Kirk in Cairo we are indicating that, subject to their approval, we propose to appoint Charles R. Joy, acting executive director of the Unitarian Service Committee, as the Board's Special Representative for Greece, Egypt, and Yugoslavia, with the designation as Special Attache to both the Embassy and the Legation on war refugee matters.

(b) Neutrals

(i) Spain

Ambassador Hayes reports that he has transmitted to the Spanish Ministry of Foreign Affairs a copy and translation of the President's statement of March 24, with the request that it be given the fullest measure of publicity in Spain. The only mention known to have been made on this subject in the Spanish press to date was that contained in a brief syndicated despatch appearing in Madrid newspapers.

We have recently asked Hayes to inform appropriate Spanish officials of the plight of the 400 Sephardic Jews, Spanish nationals recently interned in Athens. This approach toward obtaining their recognition as Spanish nationals and their consequent protection is in addition to that which we requested Tittmann to make through the Vatican.

(ii) Portugal

We have asked Minister Norweb and Board Representative Dexter to lend all possible assistance to the representative of the American Jewish Joint Distribution Committee in Lisbon in his efforts to obtain a Portuguese ship for the purpose of evacuating refugees from Rumania to Turkey.

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(iii) Sweden

- It has been reported that several Polish ships carrying food and clothing originally intended for the Polish civilian population have been tied up for some time at Stockholm. We are asking Minister Johnson and Board Representative Olsen to attempt to verify this report and, in the event it proves to be accurate, to report in detail on the ships and their cargoes.

(iv) Eire

Minister Gray reports from Dublin that an affirmative reply has been received from the Irish Department of External Affairs in response to our request that Eire guarantee to receive 500 Jewish refugee children from Switzerland. The Irish indicated, however, that so far they have had no success in securing permission for Jews to leave occupied countries. Accordingly, it was suggested that this Government ask the Swiss Government to obtain the necessary permits, even though the Irish Charge d'Affaires in Berlin has been instructed to make a similar request.

(c) Latin American Countries(i) Haiti

We have been advised by Charge d'Affaires Chapin at Port-au-Prince that a reply has been received from President Lescot with respect to Haitian cooperation in war refugee matters. Lescot pointed out that, contrary to previous reports, it was his intention that Haiti's contribution -- in the form of profits from the state lottery -- be made available to the National War Fund, United Nations Relief Wing, rather than to the War Refugee Board.

Lescot indicated, however, that the Haitian Government is now looking into the possibility of organizing through the state lottery a special drawing, from which all profits would be turned over to the Board.

(ii) Panama

The U. S. Embassy in Panama has transmitted a memorandum from the Panamanian Foreign Office in connection with the proposal that Panama cooperate with this Government

- 6 -

in war refugee matters. In this memorandum the Ministry of Foreign Relations indicates that it will lend its "decided cooperation" to the realization of the principles represented in the Board's work.

(iii) Peru

In a despatch from Lima Ambassador White reports that he has requested a statement from the Peruvian Foreign Minister on the matter of possible cooperation in the rescue and relief of refugees.

(d) Conditions in Hungary

In a cable from Minister Harrison in Bern we have been advised of a report from Budapest to the effect that while Jews are not now to be concentrated into a ghetto, they will be assigned to districts where "terroristic aviation attacks are to be expected." The Hungarian press early in April is said to have announced the evacuation of residential quarters in the exposed factory and other districts of the capital and its suburbs, and it is apparently into such areas that the 400,000 Jews reportedly residing in the Hungarian capital are to be moved.

2. RESCUE AND RELIEF PROJECTS

(a) Relief through Vatican to Jews in Rome

The American Jewish Joint Distribution Committee has asked the British Foreign Office to return to it the \$20,000 remitted some time ago to London in connection with the provision of relief to Jewish refugees in Rome. These funds are to be placed in a blocked account in the United States in the name of Delasem, the recipient organization in Rome. London and Bern have been requested to notify Delasem that the JDC is establishing an additional credit up to \$100,000 for the balance of 1944, against which Delasem is authorized to borrow in Italy.

(b) JDC Food Parcels

On April 26 the Treasury Department, upon our recommendation, issued a license to the JDC permitting it to send up to \$5,000 to its representative in Lisbon for the purchase in Portugal of food for individual parcels to be distributed to internees in enemy territory. This license will enable

- 7 -

the JDC to send food parcels "on an experimental basis" to internees in a camp at Celle near Hanover, Germany, and is in addition to the food package licenses previously issued to the JDC permitting it to supply food parcels to internees for Czechoslovakia, Poland and the Netherlands.

(c) Evacuation of Children from France to Spain and Portugal

We have been advised by Minister Norweb of a report from the JDC representative in Portugal that six children have arrived in Spain as the first in a series of groups being brought through the Pyrenees by professional guides.

Board Representative Dexter has brought to our attention certain proposals on the part of Isaac Weissman, representative in Portugal of the World Jewish Congress, concerning the eventual destinations of refugee children arriving in Portugal from France. We are advising Dexter that the problem of where to send the children who are being rescued should be determined after they have reached safety, on the basis of facilities existing at that time.

(d) Evacuations from Spain to Iyautey

We have recently been advised through the JDC representative in Lisbon that the French are refusing to clear for admission to Camp Iyautey Sephardic Jews arriving in Spain after March 1 of this year. On the basis of the reported ruling, 50 such refugees now in Perpignan, France, awaiting admission into Spain, as well as others still en route, would be excluded, since the Spanish Government will do nothing to rescue Sephardics unless it is assured that they will be removed from Spain soon after arrival.

In a cable to Board Representative Ackermann we are asking that the report be investigated. If the report proves to be correct, we are instructing Ackermann to take up at once with French representatives the matter of obtaining a reversal of the ruling.

(a) Evacuation to and through Turkey

Ambassador Steinhardt has advised us of the safe arrival in Istanbul of the "S.S. Bellacitta" with 152 Jewish refugees on board. We have also been advised of the safe conclusion of the second voyage of the "S.S. Milka" with 272 refugees on board. 907 refugees were evacuated during the month of April from Constanza across the Black Sea to Turkey. All of the refugees have been permitted transit through Turkey to Palestine.

Another report from Steinhardt indicates that information has reached the International Red Cross representative in Ankara to the effect that if the projected destination of the "S.S. Tari" were changed from Haifa to Iskenderun (Alexandrette), a German safe-conduct for the ship might be granted. Inasmuch as such a change of destination would involve reshipping the refugees from Iskenderun, presumably on some United Nations' ship, Steinhardt has advised the IRC representative that such a change would be agreeable only after all hope of securing a German safe-conduct to Haifa has been abandoned.

We are cabling Steinhardt that his action with respect to the proposed change of destination has our approval. For his information, however, we are relaying information received through the JDC to the effect that the Turkish representative of the Jewish Agency can probably arrange for coastal schooners to convey refugees from Iskenderun on to Haifa, if the voyage of the "Tari" were to terminate at Iskenderun. We are suggesting that Steinhardt explore this possibility, since expediting the German safe-conduct may become a paramount issue.

In connection with pressing for the German safe-conduct to Haifa, we have been advised that the IRC representative has now conferred with von Papen on three occasions; the Turkish Minister for Foreign Affairs has also personally twice requested such a safe-conduct. Steinhardt indicates that he is satisfied that von Papen has in turn been pressing for the safe-conduct from his government.

(f) Evacuations to Italy and the Mediterranean Area

Board Representative Ackermann reports from Algiers that he has again discussed with a Yugoslav Partisan general the problem of evacuations through Partisan territory. We are advised that from 15 to 20 schooners with a speed of at least ten knots are needed immediately. The need for a number of smaller vessels for the journey from the Yugoslavian mainland to the Dalmatian Islands is also reported. Ackermann further indicates that it may be possible to obtain certain 200-ton ships, for evacuation purposes, provided their allocation can be arranged through MEDBO.

At our request, Admiral Land of the War Shipping Administration has agreed to instruct Kallcock, the WSA representative in that area, to explore with Ackermann the shipping problems involved in the projected evacuations.

(g) Recognition of Latin American Passports

The U. S. Embassy in Caracas has at our request taken up with the Venezuelan Foreign Minister the matter of the reported deportation of internees from Camp Vittel. As a result, full Venezuelan cooperation has been promised in connection with the projected exchange against German nationals of internees holding Latin American passports or consular papers. The Foreign Minister has also promised that his government will approach the Germans, through the protecting power, with a demand that the rights of internees holding Venezuelan passports or claiming citizenship on the basis of Venezuelan consular documents be respected.

Ambassador Hayes has reported from Madrid in this connection that representations have been made to the Spanish Foreign Office with regard to the internees reportedly removed from Vittel. This approach to the Germans through the Spanish Government is in addition to representations previously made on our behalf through the Government of Switzerland. Hayes reports that although the Spanish Government indicated that it had no information on the matter, it has given assurance that it will attempt to learn the facts as soon as possible with a view toward endeavoring to arrange for the return of these refugees.

Minister Harrison has advised us that, in line with the instructions despatched by State, he has requested the Swiss Government to extend protection to two internees in the Camp Vittel group who recently claimed U. S. citizenship, pending action on their claims.

(h) Reinstatement of Turkish Citizenship to Refugees in France

According to a JDC report, there are approximately 6,000 Turkish nationals in France, the status of whose repatriation to Turkey is still uncertain. We have recently been advised that approximately 800 Jews in this category are in increasing danger of deportation. Lists of these refugees are said to have been forwarded to Ankara by Turkish consuls, who are now awaiting a decision concerning their status. We are pressing the Turkish Ambassador in this country to lend every possible assistance in effecting the reinstatement of Turkish citizenship to these refugees, similar representations having already been made by Ambassador Steinhardt to the Turkish Minister for Foreign Affairs in Ankara.

(1) Joint Exchange Project

In order to clarify certain aspects of the joint exchange project which the World Jewish Congress has urged that we undertake, Minister Harrison in Bern has been asked to forward, if possible, more detailed information with respect to how the exchange proposal originated and with respect to the date and manner of the German Government's reported acceptance.

PARAPHRASE OF TELEGRAM RECEIVED

151

FROM: AMLEGATION,
TO: Secretary of State, Washington,
DATED: April 29, 1944.
NUMBER: 2726

CONFIDENTIAL

1. In reply to telephonic request from Joint Relief Commission, the Commercial Attache, in absence of reply to Legation's cables of April 6, April 13, and April 24, no. 2122, no. 2305, no. 2612, and in view of the last paragraph D, Department's telegram, March 15, 1944, no. 856, has now supported with the Swiss authorities the application for export license referred to in the Legation's 2612, paragraph 1, being specifically for 100 cases of canned peas valued at 6840 francs and 60 cases of apple jam valued at 9000 francs which are urgently required for the Besienstadt.

2. However, it is stated by the Commercial Attache that pending classification and instructions in reply to the cables from the Legation referred to above, he is withholding his approval of the remainder of program under joint distribution gift.

The foregoing message was repeated to London for information of our Embassy there.

HARRISON

PARAPHRASE OF TELEGRAM RECEIVED

FROM: AMREP, Algiers,
TO: Secretary of State, Washington,
DATED: April 29, 1944
NUMBER: 1398

CONFIDENTIAL

Murphy sends the following:

The recommendation of Malin, Vice Director of the Intergovernmental Committee on refugees, looking to representation of Joint Distribution Committee and American Friends Society in Southern Italy under regulation of AFHQ was supported by me at yesterday's meeting of the Supreme Allied Commanders Political Committee. The Committee and the Commander in Chief approved such representation.

CHAPIN

AIRGRAM TO AMBASSADOR BRADEN AT HABANA, CUBA

Reference is made to your 6149 of March 1. Department has been apprised that Papal Nuncio at Bern informed Minister Harrison that Vatican had attempted to work out relief measures for Jews in German-held territory who face imminent danger of deportation to Poland and death. It is understood that some of these Jews have been found, or may be found, to hold passports or consular documents issued in the name of Latin American republics. Where such documents have been given recognition by country in whose name they were issued, they have in the past afforded some protection to the persons holding them.

In view of this Government's policy with respect to victims of enemy oppression, the Department has been particularly gratified to learn from the Bern report that when approached by the Vatican, Cuba replied that passports issued in her name to Jews in German-held territory, would be recognized by Cuba if Great Britain and the United States have no objection.

Please verify above information. If correct, please convey to the Cuban authorities the Department's appreciation of Cuban attitude and the assurance that the United States has no objection to Cuban recognition of such documents.

Department understands that, in approaching Cuba, Vatican raised the question of eventual immigration as result of possible exchange in addition to the question of recognition of documents.

It is not (repeat not) clear what position Cuba took on this point. Please ascertain Cuba's attitude. If Cuba is not (repeat not) agreeable to the admission of such persons holding Cuban documents, please emphasize that Department's request with respect to opening discussions concerning exchange does not (repeat not) involve immigration but, on the contrary, contains assurances that Cuba will not (repeat not) be expected to admit persons concerned even on a temporary basis. At any rate, we hope that Cuba, in the interests of humanity, will postpone until after the war any questioning of said documents, and in the meantime, request Germany through the protecting power to accord holders of documents issued in Cuba's name the same treatment that Germany hopes will be received by her nationals in the Western Hemisphere, and will also agree to the persons concerned being considered exchange material.

To acquaint you fully with this Government's attitude in this matter, circular airgrams of March 31, 1:05 p.m., of April 10, 11:00 a.m. and of _____, which have been sent to various Latin American republics, are being repeated to you, and you are requested to urge Cuban authorities to act accordingly in connection with Jews and other Nazi victims in German-controlled territory who have been found, or may be found, to hold documents issued in the name of Cuba.

- 2 -

In the light of the above assurances, please impress upon the Cuban government the extreme urgency of acquiescing in our requests and of acting upon them without delay. You should impress upon Cuban officials that failure to act would almost certainly spell death for the persons involved. If appropriate, you may add that since no (repeat no) responsibility to receive the people concerned would result for Cuba from acquiescence in our requests, we would be sorely disappointed if Cuban authorities would not (repeat not) whole-heartedly cooperate with our efforts to save these people.

Please advise Department of the result of your efforts.

- 2 -

April 29, 1944
10:30 a.m.

BA:RLS:LSLesser:als 4/28/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: Amlegation, Cairo,
TO: Secretary of State, Washington,
DATED: April 29, 1944
NUMBER: YUGOS 102

SECRET

Reference is made herewith to our telegram of April 13, 1944, no. 28, and Department's telegram no. 30.

The British Embassy has now advised me that support in rescuing Hungarian Jews has now been promised by Tito. He will aid them to escape and join his army or be evacuated whenever possible.

It is presumed that War Refugee Board will wish to pursue the matter further at AFHQ Algiers since Allied military contact with Tito is maintained there and I am informed by the British Embassy that this question was in fact discussed a few days ago at a meeting held at AFHQ Algiers by G3 special operations.

The fore-going message was repeated to Algiers for Murphy's attention.

MACVMAOH

STRICTLY CONFIDENTIAL
BY SECRET COURIER

FROM
Asuncion
Date April 29, 1944
Rec'd May 10 8 a.m.

The Secretary of State,
Washington.

A-148, April 29, 10 a.m., 1944.

Referring further to the Department's circular airgram A-118, 11:25 a.m., April 11, 1944, I have pleasure in reporting hereby that the Foreign Minister informs me orally but officially that his Government will be glad to have the United States Government negotiate for an exchange of persons from American countries, or holding passports of such countries, including Paraguay, now detained in German concentration camps. He took pains to state that this is on the assumption that persons holding Paraguayan passports who are not in fact Paraguayans shall not be sent to Paraguay unless the latter decides from their qualifications that they would be desirable immigrants.

The Minister likewise stated that he has been instructed to take affirmative action in addressing the German Government through the Spanish Charge d'Affaires in Asuncion to state that Paraguay is interested in the fate of persons confined by Germany who hold Paraguayan passports. I hope within a few days to be able to confirm the fact that this action shall actually have been taken.

He reiterated that his attitude in correspondence with the Spanish Charge is that while the passports were not legally issued, full recognition for them will be maintained until peace supervenes.

The Minister asked that special attention be paid to the case of two girls aged fifteen and sixteen years, born in the town of Pedro Juan Caballero in Paraguay of a German father, Fredrick MACKE and a Paragrayan mother named Anita LEZCENO. They reside in a town named Osterden in the province of Hanover, Germany. His Government urgently desires that these girls be included in any exchange arrangement, as they are native Paraguayan citizens with influential Paraguayan family relations through their mother. The Minister inquired whether there is any possibility of including Dutch nationals in the exchange, as the Paraguayan Minister of Agriculture has close relatives in Holland whose egress he is anxious to secure. I shall be grateful for information as to these matters.

801.2

F/ajl

FROST

PROPOSED TELEGRAM TO AMERICAN EMBASSY, LIMA, PERU

Reference your 541, April 24. War Refugee Board cannot state definitely nationalities represented in prospective immigration of children but believes they would be chiefly Polish, stateless of German and Austrian origin, French, and Belgian. Please give emphasis to the humanitarian aspects of the action suggested to Peruvian Government.

April 29, 1944
1:258 p.m.

MStandish:lem
4-28-44

TELEGRAM SENT

PLAIN

April 29, 1944

AMEMBASSY

LISBON

1209, Twenty-ninth

TO MINISTER MORWEB FROM WAR REFUGEE BOARD

Reference your No. 1208 of April 22 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 WEB CABLE NO. 5

HULL
(GLW)WEB:GLW:OMH WE A-5/3 FA
4/26/44

TELEGRAM SHEET

PLAIN

April 29, 1944

AMEMBASSY

LISBON

1800, Twenty-ninth

TO MINISTER HOMER FROM WAR REFUGEE BOARD

Reference your No. 1053 of April 10 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 WEB LISBON CABLE NO. 6

HULL
(GLW)WEB: GLW:OMH
4/29/44

WE

A-8/3

FA

TELEGRAM SENT

BJR

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

April 29, 1944

11 p.m.

AMLEGATION

LISBON

1223

FOR THE MINISTER AND DIRECTOR FROM THE WAR REFUGEE

BOARD

The following is WEB cable No. 9, a paraphrase of
which should be made before delivery.

QUOTE Any information procurable concerning Hernan
Henriques, a Dominican Republic citizen, at present in
the United States, would be appreciated. UNQUOTE.

HULL
(GLW)

WEB:MMV:ONE WB SWP S/CR
W

GEM - 604

PLAIN

Lisbon

Dated April 29, 1944

Rec'd 3:52 a.m., 30th.

Secretary of State,

Washington.

1304, Twentyninth, 6 p.m.

WEB 10 FROM SCHWARTZ FOR WAR REFUGEE BOARD AND
LEAVITT

Joint Distribution Committee New Yor, "Blickenstaff has now received list 770 names approved by French authorities for North African camp including 365 sephardin most recently arrived. No information yet regarding transportation facilities this group or even approximate date departure. Concerning Jews of Turkish origin now France threatened with deportation Ambassador Steinhardt again discussed matter with Minister Foreign Affairs, Ankara who advises most specific instructions have been sent to Turkish Ambassador, Vichy and every reason to believe these instructions being faithfully carried out. Concerning Canadian immigration project difficult understand why authorisation transit visas so slow especially view fact all persons receiving Canadian visas go through British security. Thus far 115 persons have come to Spain from France and being maintained by us".

FORMER

MEV

RE

PAPABACK OF TELEGRAM RECEIVED

162

FROM: AMBASSADOR, STOCKHOLM

TO: Secretary of State, Washington

DATE: April 29, 1944

SUBJECT: 1612

SECRET

Estonian refugees arriving in Sweden report as follows: Youngs conscripted and sent by the Germans to the Narva front never come back. At present there is a greater number of Estonians hiding in the forest than during the Russian regime as most Estonians whom Germans intend sending Germanyward flee to the forests. Generally it is not the wish of fleeing fugitives to go to Finland but to Sweden. Allegedly to Helsinki, all Estonians returned or removed to rear and there are no longer any Estonians fighting on the Finnish front. In order to fetch Estonian fugitives, it is understood that Swedish authorities are placing no obstacles in preventing Estonian fleeing craft from leaving Swedish waters at their own risk. Including fuel oil cost, fishermen charge. 1500 Reichmarks per adult. For children there is no charge made. Usually landings are made at islands by the "Gharlet Plumperel" Estonian fishermen. In order to penetrate further into the country where the Germans have increased control the competitors on the Estonian side often wear women's clothing. Letters from local Estonians are also carried by fishermen. Bundles of clandestine mail are thrown overboard if chased on the high seas as it is tied in bundles with heavy stone attached by long rope.

Soviet currency is alleged to be easily disposed of in Sweden, which is not the case of Reichsmarks, and fugitives fleeing Swedenward are advised to convert their Reichsmarks to Soviet currency before departure. They find this is not true upon arrival in Sweden.

It is alleged by some Estonian refugees that the USSR Legation, Stockholm, tried to establish modus whereby all Estonian refugees from German occupied Estonia equipped themselves preferably in Sweden with Soviet passports. Accordingly it said that when such refugees arrive in Sweden, Swedish police ask if they prefer Soviet or alien passports issued by the Swedish authorities. It is believed thus far that no Estonian refugees preferred passport of the Soviet. It is possible that few seasons at present in Sweden are in possession of previously obtained Soviet passports.

With regard to Admiral Pitka's return Estonia from Finland, as reported both German and Swedish controlled press, Estonian refugees assert that if Pitka returned Estonia it may be assumed intended to disappear there and become an active leader in the underground forces. That Pitka again returned to Finland was also stated by another refugee.

MOHSON

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
 TO: AMLEGATION, Bern
 DATED: April 29, 1944
 NUMBER: 1498

CONFIDENTIAL

FROM WAR REFUGEE BOARD FOR HARRISON.

This is WRB Bern Cable No. 10.

Following for Intercess:

QUOTE In full agreement with interested American welfare agencies War Refugee Board requests Intercess 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 Intercess 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 only if in the judgment of Intercess (1) is unobtainable.

Furthermore, War Refugee Board requests Intercess 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 Intercess 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 Intercess, 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.....

- 2 -

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 Interross 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 Interross. 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.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
 TO: AMLEGATION, Bern,
 DATED: April 29, 1944
 NUMBER: 1602

FOLLOWING FOR HARRISON'S ATTENTION

Please transmitt the substance of the following message 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 American in an attempt to work out relief measures for Jews interned in Germany or German-occupied territory who held 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. No action could be taken by Haiti.

8. Passports could not be recognized by Peru.

9. Passports.....

- 2 -

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.

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 Internment Camp at Vittel and imminent danger of all of them, reported to number several thousands. On April.....

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 names 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 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.....

- 4 -

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 government 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.

UNQUOTES.....

A 5 -

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 America 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.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington,
TO: AMLEGATION, Bern
DATED: April 29, 1944.
NUMBER: 1503

CONFIDENTIAL

FROM WAR REFUGEE BOARD TO HARRISON

Appreciated 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.

HULL

AMT - 322

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

Bern

Dated April 29, 1944

Rec'd 10:40 a.m.

Secretary of State,

Washington.

2724, April 29, 11 a.m.

Your 1428, April 25.

Appointment McClelland as special attache for
war refugee problems being notified to Foreign Office
which, as indicated in my telegram 1754, March 22,
has signified intention to recognize him in diplomatic
capacity as "Special Assistant", title also in cases
of Mayer, Dulles and Tyler.

HARRISON

EB
MEM

PARAPHRASE OF TELEGRAM RECEIVED

FROM: AMLEGATION, BERN
TO: Secretary of State, Washington
DATED: April 29, 1944
NUMBER: 2738

SECRET

Reference your 1442, dated April 26.

It is stated by Lichtheim of Jewish Agency for Palestine that recently the Germans have drawn up holders Palestine certificates which has been forwarded to London as basis for first coming exchange and British Government is trying to come to some arrangement.

Involving about fifty women and children from Germany and Poland, the first exchange took place about three years ago. The Germans first interned them and later, against German women and children from Palestine, they were exchanged.

Some time later about 800 women and children, mainly Polish, although not yet possessing Palestine certificates were declared eligible for exchange by decision of the British Government and were granted certificates and list was handed by Switzerland as the protecting power to German authorities. For various reasons this proposed exchange did not materialize.

It is suggested that you may obtain the exact official details from London because negotiations have been conducted by Switzerland as the protecting power between German and British authorities.

HARRISON

MEM-607

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

Ankara

Dated April 29, 1944

Rec'd 4:25 a.m., 30th

Secretary of State

Washington

778, April 29, 8 p.m.

FOR THE WBS FROM THE AMBASSADOR

Ankara's 48.

Please inform Paul Baerwald of the American Joint Distribution Committee that I deeply appreciate his thoughtful message and that he may reply upon me to continue to exert myself to the utmost on behalf of the unfortunate victims of Nazi persecution.

STEINHARDT

REF
NPL

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

Reference is made to our _____ of _____,
specifically to passage regarding reply by Cuba to Vatican.

Please inform Holy See that American Ambassador in Habana has been instructed to convey to the Cuban authorities the Department's appreciation of Cuban attitude and the assurance that the United States has no objection to Cuban recognition of such documents. Also that American Ambassador in London has been asked to request that a similar assurance be given by Britain to Cuba. Also that Department believes it advisable for Vatican to approach Britain directly requesting such assurances and would appreciate Vatican doing so.

As regards actual admission, Ambassador Braden has been asked to ascertain Cuba's attitude. Should he find that Cuba is not (repeat not) agreeable to the admission of such persons holding Cuban documents, he has been authorized to repeat to Cuba the assurance given to other Latin American republics to the effect that Cuba will not (repeat not) be expected to admit persons concerned but that they will be routed elsewhere.

Department hopes that Vatican will pursue its efforts in Cuba on this basis and, should it require assistance of American Ambassador in Habana, it will be glad to instruct him accordingly.

April 29, 1944
10:30 a.m.

BAksin:jp 4/27/44

Warning - This is an unparaphrased code (cipher) message. Text must be paraphrased if essential to retransmit it in another system or to communicate its contents to persons outside British or U.S. Government Service. One-time pad messages are excepted from this rule.

NOT TO BE RETRANSMITTED

Copy No. 11

SECRET

OPTEL No. 137

Information received up to 10 AM 24th April, 1944.

Begins.

1. NAVAL

On 27th/28th E-Boats attacked a U.S. Convoy off Portland Bill; two U.S. tank landing ships sunk and one damaged.

On 28th/29th two Canadian destroyers attacked two Elbing class destroyers off Ushant; one German destroyer was driven ashore on fire. One Canadian destroyer was sunk; 38 survivors picked up by the other Canadian destroyer.

2. MILITARY

Burma.

Arakan. Japanese have recaptured some forward positions.

Buthidung Area

Imphal. Road block 12 miles north-west of town cleared 23rd re-established by Japanese.

Kohima Area

On 26th/27th our forces made successful attack with tank support on residential quarter of town.

Hukawng.

Chinese troops meeting increased resistance.

3. AIR OPERATIONS

Western Front

27th/28th Friedrichshafen. 291 Lancasters dropped 1,037 tons about half and half HE and Incendiary. Excellent bombing concentration obtained in later stages. Subsequent reconnaissance reported three large fire areas. Ground defences and fighters both moderate strength.

Aulnoye

930 tons HE. Good visibility some ground haze. Attack in two phases against Southern and Northern ends of yards. Bombing somewhat scattered although some degree of accuracy observed. Ground defences negligible. Montzen - 525 tons H.E. markers and bombing improved during attack and were finally well concentrated. Ground defences slight but strong fighter opposition en route and over objective.

- 2 -

28th.

U.S. heavy bombers attacked Avord Airfield - 279 tons and Military constructions - 203 tons; supporting fighters destroyed eight and damaged six aircraft on the ground; four bombers, two fighters missing. Fighters and fighter-bombers attacked four airfields, and bridges on the Cherbourg Peninsula; two fighter-bombers missing.

28th/29th.

Aircraft despatched; -Explosives factory St. Medard near Bordeaux 92, Oslo 55, Hamburg 26 Mosquitoes, Intruders etc. 19. All returned safely. Explosives factory was not identified. 30 German aircraft operated between Selsey Bill and Portland Bill; Mosquitoes destroyed two for loss of one.

Italy, 28th

U.S. heavy bombers attacked Piombino - 478 tons San Stefano - 373 tons and Orbetello - 238 tons: eight bombers missing.

RECEIVED

NOT TO BE RE-TRANSMITTEDCOPY NO. 11SECRETOPTEL No. 138

Information received up to 10 a.m., 30th April, 1944.

1. NAVAL

Reference OPTEL No. 135. BODO. 26th. Now known additional 6,000 ton ship in BODO Harbour and 4,000 ton tanker in VAAGSFJORD were hit and set on fire. The German destroyer driven ashore western tip BRITTANY during action with Canadian destroyers has been heavily attacked by Typhoons and repeatedly hit and is reported total wreck. Six more survivors from H.M. C.S. ATHABASKAN in one of H.M. Canadian Destroyers' boats which, with its crew of five, was left on scene of the action, have arrived at PENZANCE. German communique reports 47 survivors taken prisoner. Greek Naval C. in C. reports that on 28th mutiny in Greek Navy ceased.

2. AIR OPERATIONS

WESTERN FRONT. 29th. 679 U.S. heavy bombers despatched, 580 dropped 1,163 tons BERLIN with results reported fair to good, 38 others attacked various objectives in GERMANY. Escorting fighters reported 14 enemy aircraft destroyed in the air and eight on the ground. 63 bombers and 13 fighters missing. 152 fighter bombers attacked airfields and communications in FRANCE. Typhoons bombed and hit a 3,000 ton ship off BRITTANY.

29th/30th. Aircraft despatched:-

Explosives Factory ST. MEDARD-EN-JALLES	74
Markers accurate, bombing concentrated	

Aircraft factory CLERMONT FERRAND	58
Factory clearly identified, bombing good	

Other Operations	59
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All returned safely. 20 German aircraft operated over CORNWALL and SOUTH DEVON. Fighters destroyed three. Eight fatal casualties reported PLYMOUTH.

FRANCE. 29th. 480 U.S. heavy bombers with Lightning and Mustang escort dropped 586 tons TOULON hitting railway centre, arsenal, submarine pens, etc., in spite of smoke screen. German reaction about 60 aircraft, casualties 11, 3, 10. Ours 5 Liberators, 2 fighters.

TREASURY DEPARTMENT

25 1 1944 MAY 1944

SECRETARY OF THE ARMY
OFFICE

Regraded Unclassified