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June 16, 1944
10:00 a.m.

GROUP

Present: Mr. Blough
Mr. Shaeffer
Mr. C. S. Bell
Mr. O'Connell
Mr. Gaston
Mr. Haas
Mr. D. W. Bell
Mr. McConnell
Mr. Pehle
Mr. Gamble
Mr. Sullivan
Mrs. Klotz
Mr. Smith
Mr. Glasser

H.M.JR: Well, look who's here! (Gaston)

MR. SULLIVAN: He has been down all week.

H.M.JR: Are you all right?

MR. GASTON: Yes, I have just been down a little while in the morning for the last few days. Just getting practice in walking around.

H.M.JR: I thought I would do you all at one time, if possible. Is anybody in a hurry besides Gamble?

MR. D.W. BELL: What's his hurry? He has until the eighth.

H.M.JR: I don't know whether it was you or your daughter, but somebody was on your phone for three quarters of an hour last night.

MR. D.W. BELL: Two girls--and I thought probably you were trying to call.

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H.M.JR: I got the chief operator and everybody.

MR. D.W. BELL: Why didn't you butt in?

H.M.JR: I didn't know. I thought maybe it was you. Was it your wife or daughter?

MR. D.W. BELL: Daughter and another friend. They were taking turns.

MR. BLOUGH: You should have a twenty-minute rule like I have.

H.M.JR: Would somebody tell me where we stand on sales as of this morning?

MR. D.W. BELL: I have a sheet here for you. Up to last night--

(Hands Secretary Daily Sales Statement for June 16, 1944)

H.M.JR: I know you have all these trick charts on the beam, off the beam. Where are they, George?

(Hands Secretary document, "Sales Compared with Pattern")

MR. HAAS: On the beam! There is the total for the whole country and here is the break-down of corporations, individuals. Then, the important States follow.

H.M.JR: Any ones that are bad--California--that's the result of my having been there. You had better divide Northern and Southern California.

MR. GAMBLE: Take a look at Rhode Island.

MR. HAAS: And Minnesota and Iowa.

H.M.JR: Southern California, okay, that's where I went. They did all right, didn't they?

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MR. HAAS: It's a little early. You ought to have a slogan, "As go the War Bonds, so goes election!" I have to be careful. How many Republicans do you have!

MR. SULLIVAN: How many Democrats do you have!

H.M.JR: They have to specify the Democrats these days too, don't you? Just being a Democrat isn't enough. New York doesn't look so good, does it?

MR. HAAS: No.

H.M.JR: Better have Dewey make a speech. I see you got Willkie to make a speech. Oregon, oh boy!

H.M.JR: If New York doesn't do better this time than it did last, there is going to be trouble. It has never made its quota, has it?

MR. GAMBLE: Oh, yes, it has always made its quota. It never made its individual quota, but New York did a very good job last time, Mr. Secretary.

MR. D.W. BELL: They certainly kicked about the increased quota, didn't they?

MR. GAMBLE: But we lowered their E Bond quota, Mr. Bell. We figured we were wrong the last time. We gave them three hundred and eighty-five million. We gave them three hundred and sixty-one this time.

We lowered its quota quite accidentally in the last Drive. We cut it this time back to three hundred and sixty-one from three hundred and eighty-five. New York will go over its E Bond quota this time and if New York doesn't do the job, it isn't in the book to do it, because when you go to that town and see what is going on--New York has already had more activities conducive to good selling in this Drive than in all of the last War Bond Drive. They already have and they have placed three hundred and twenty million dollars' worth of E Bond quotas in the plants in Manhattan alone, against a total State quota of three hundred and sixty-one million.

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H.M.JR: This is the first time I have ever been on a trip where I go into a plant and the first thing they greet me, "Our Plant quota"--the first thing they say--now this North River or Red River Ordnance, they go in there and on the day of the Drive, they already had made their quota and were over and their quota was forty percent of their whole April payroll. But I mean every place I go the plants now have a quota, which is the first time that has happened, you know. You have heard me on that. I was very pleased. I want to say this for your advanced organizations, they did a wonderful job and there wasn't one single hitch. You couldn't help it if the manager of the hotel got drunk, but he waited until after the banquet. You couldn't help it that I didn't like my Los Angeles script and threw it away. You know when I got my script? Los Angeles time? Eight o'clock, but Orson Welles was marvelous. He had another show following. I don't know what happened. He said, "I'll be out there in the Bowl". He was there for half an hour. He sat down there with me. You would think he didn't have a thing in the world. He went over and over and over that thing with me, went out on the stage with me, waited until I went before the mike and then went over to his own broadcast. He really was very, very helpful.

MR. GAMBLE: That was mostly Norman Corwin's work, the script, wasn't it?

H.M.JR: No, well Orson Welles--the script, the basis, seventy-five percent of the script was what we took with us. Then Welles and Corwin went over it and decided what they would take out. Corwin fixed it up.

MR. GAMBLE: It was a far superior job, from my point of view, to the Welles job in Texarkana.

H.M.JR: Welles felt in his conversations with you about his priorities that you were sore at him and that kind of upset him, do you see? He didn't mean to be sarcastic.

MR. GAMBLE: Well, he was and he had to be toned down a little bit. He was telling me that he was going to stay in Dallas, Texas, from now on, and unless we got President

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Roosevelt to move him out of there--I told him if he didn't get out in a hurry the Army was going to move him out, because they were a little bit upset with him.

H.M.JR: Anyway, he mentioned it to me and I told him you were a very nice fellow, and so on and so forth.

MR. GAMBLE: Well he had to be toned down, Mr. Secretary. He was all upset, and if you let people like that--you know, they talk like that and pretty soon they believe what they have been saying themselves.

H.M.JR: With me, no one could have been nicer or quieter or more helpful. I mean, the fellow was up three nights straight.

MR. GAMBLE: I was trying to deliver him to Los Angeles. At that time he was in a hotel he wasn't registered in and was refusing to leave town. The Airlines had him on the nine-fifty plane and he wouldn't leave. This was about eleven o'clock at night.

H.M.JR: I offered to take him to Los Angeles, but anyway, as long as he takes out his temperament on you and delivers the goods to me, I call that fifty-fifty! But your people did a swell job. It worked out. I am tickled to death I threw the Los Angeles script out of the window.

MR. GAMBLE: The Los Angeles job was a beautiful job.

H.M.JR: And your man in charge of Southern Los Angeles, Moulton, said that nothing I could have done helped him as much as going to that canteen.

MR. GAMBLE: Helped in his relations there with those people. That's right. I had excellent reports on that noon affair. You didn't need to do any more than hear the broadcast to see what the people of Southern California thought-- the hand they gave Hope and the applause they gave you.

H.M.JR: I haven't heard the broadcast. I didn't hear it at all, but your people were satisfied.

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MR. GAMBLE: Very much so.

H.M.JR: I was conceited enough after having made the luncheon speech without any help to say I would speak in New York. I was full of my subject. It was a big audience. I have a lot of odds and ends that I would like to distribute around. I have all morning, so if anybody gets restless, all right. I have brought you all in because I have something for everyone of you. Anybody have a meeting or a date?

MR. D.W. BELL: I have one at ten thirty but it can wait a few minutes.

H.M.JR: All right. This is from the President. "If we are going to do anything about Burke in Massachusetts, I should think we would do it now." Oh, Mr. Gaston is back.

This will not help your insides. "All of your opposition people were parlor type." He didn't say "parlor pink" but "parlor type". That's pretty close to a "parlor pink". If he said that about Pehle, I would understand it. "I still think Burke would make a good Collector, why not send over his name?"

MR. D.W. BELL: Should put several question marks there.

H.M.JR: Why don't you take a chance of drafting this kind of a letter, Herbert, very respectful. Simply, "My dear Mr. President: I feel if you want me to be completely frank with you, I still feel through information furnished to us by reliable people that Mr. Burke is not the caliber of person who should be Collector. If, on the other hand, you want to make him so, and you direct me to that effect, I will be very glad to send his nomination over."

MR. GASTON: Yes, I think that's probably the only thing to do.

MR. SULLIVAN: I think he is going to be directed.

H.M.JR: That's all right. He hasn't yet.

MRS. KLOTZ: You put yourself on record.

H.M.JR: Yes, I say "from information on hand," I don't want to go so far as to say "but from information which I have on hand"--would you say "with which you are familiar"? I don't want to rub it in, "I still don't think he would make a good Collector, but if that is what you want and you will direct me, I will be glad to do so," but you see, he doesn't direct me. If he wants to direct me--

MR. SULLIVAN: Maybe that's what he is trying to avoid with this now.

H.M.JR: Okay. I haven't worked for him for sixteen years for nothing, I hope!

MR. GASTON: Yes.

H.M.JR: Now again, Mr. Roosevelt, "to read and return." Now here is another long thing from H. H. Kung. Have you seen this one? (Refers to letter of April 19 from Kung)

MR. D.W. BELL: No.

H.M.JR: Glasser, supposing I give this to you and you familiarize yourself with it. Let Mr. Bell familiarize himself and see--it doesn't call for an answer.

MR. D.W. BELL: Does it cover the same subject we have been talking about?

H.M.JR: I haven't read it, and I haven't read this thing. I think I will take this with me, this stuff. This is from Bell to me, all the other Chinese stuff.

All right on my prices and stuff, Mr. Conscience?

MR. O'CONNELL: We are not entirely clear on what you are getting for them, but you're probably all right.

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H.M.JR: I mean about the delivery in my own truck. If I get five cents a truck more?

MR. O'CONNELL: In less than truck-load lots.

H.M.JR: They put ten crates on a truck which will hold twenty-five crates, all right?

MR. O'CONNELL: All right.

H.M.JR: Plus the truck load?

MR. O'CONNELL: That's right.

MRS. KLOTZ: We are in the same situation as before.

H.M.JR: But they say this time you have to own the truck yourself.

MR. O'CONNELL: That's right. The regulations say that in less than truck-load lots, delivered in the owner's truck to a retail store, five cents premium.

H.M.JR: That's right.

MR. HAAS: You have a full truck, I should think, if you have something else with it. Is that right?

MRS. KLOTZ: No, you can't, Mr. Haas, we don't get around it.

H.M.JR: I am surprised, George, I can get around it. That's just what we didn't do all winter. We could have gotten around it and didn't, did we, Joe? About eight thousand dollars.

MR. O'CONNELL: I wasn't clear from my talk before whether you were thinking of delivering to retail stores where you live or in New York.

H.M.JR: No, in our own community.

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MR. O'CONNELL: That's a little better. If you were delivering in New York, it would be exactly a parallel case to the apples.

H.M.JR: In New York I hired a truck.

MR. O'CONNELL: That's the sort of thing that is contemplated by the order for the premium. There will be no difficulty about that one.

H.M.JR: Let's clean up this monetary thing.

MRS. KLOTZ: I have something if you are on the monetary thing.

H.M.JR: One second. Well, this letter to Mr. Somers, it doesn't say what the President answered. What did the President say?

MR. D.W. BELL: The President said in a general way that he had to hold his appointment of delegates down. There was a question of what committees should be represented from the Congress. He was determined that the Banking and Currency in the House, I believe it was, and of the Senate should be the main committees. And he said now to pick up two people from his committee would compel him to pick up two people from corresponding committees in the Senate which would have to be something beside the Banking and Currency Committee. He said if it were the Foreign Relations he would have to come back to the House and get two more from the Foreign Relations Committee. If it were the Senate Finance, he would have to come back to the House and get two from the Ways and Means. He says, "You can see what I am up against."

H.M.JR: Who drafted that?

MR. D.W. BELL: I think Rosenman, but Judge Vinson said he passed on it and made one or two suggestions. He says, "I am sure the letter has gone out, so you can just say"--thought this was an excellent way out of your answering it.

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H.M.JR: Incidentally, Glasser, you keep Harry posted. Last night when I got in I had this emergency call from Jimmy Byrnes which was just to let me know how he had convinced the President that the President should appoint Tobey. The President didn't want to do it, but Byrnes, after talking with Vinson, finally convinced the President that the President should appoint Tobey.

MRS. KLOTZ: Harry White sent you two speeches. He said that Mr. Gaston and Mr. Smith can work from this.

H.M.JR: This is a speech for July one at Bretton Woods. I will take this with me.

MRS. KLOTZ: July two.

H.M.JR: Glasser, will you see that Mr. Gaston gets copies of this?

MR. GASTON: I already have them, yesterday or day before.

H.M.JR: He was the first person to communicate it with me, so if you have the time--

MR. GASTON: Yes, I haven't done anything substantial, but just made one or two approaches to it, but I can go to work on it right away.

H.M.JR: Would you? And as to the incidental music on that, we will have that prepared, because I can't talk any more unless I have music.

MR. GASTON: Right.

H.M.JR: I don't know whether I told you. My wife doesn't like me to speak with music under me the way they do on the radio. And at Frank Knox's funeral, when they began to give the funeral address and the organ began to play, through the whole thing the minister spoke, the chaplain, with music. But as soon as he got through she looked at me and said, "I still don't like it".

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MR. SULLIVAN: It was very effective at the funeral.

H.M.JR: I said I like it, it shows they are just becoming modern, using the radio technique. Have you ever heard that before?

MR. SULLIVAN: No, it was the first time. When they started I was sure it wasn't going to be good, but I thought it was very good when they got through.

H.M.JR: Fortunately Henry is on my side. I don't know where Bob is. Do you like it?

MRS. KLOTZ: I like it sometimes, but not all the time.

H.M.JR: There was no music this time, was there? Do you know what happened? It was very interesting. When I was through in Los Angeles, David Broekman came up to me and said, "Mr. Morgenthau, I was so moved by what you said, I just couldn't do anything". He said, "I didn't, I just stood there. I couldn't do anything".

MRS. KLOTZ: Where was this?

H.M.JR: At Los Angeles. He said "I just couldn't play, I didn't know what to play. I couldn't do anything". I thought that was interesting. He is a wonderful person. My God, they change things on him every time. He does his own composing. Is it Broekman?

MR. GAMBLE: David Broekman.

H.M.JR: He certainly was all right.

This thing from the President to Hirschmann via--

MR. PEHLE: Lubin.

H.M.JR: Okay.

MR. SULLIVAN: I was thinking of the old baseball triple-play.

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H.M.JR: Yes, Gaston knows what it is. From so-and-so to so-and-so.

Now, Blough, Bell's memorandum to me about a conversation with Doughton and George. I have since read in the paper that somebody said you weren't ready on post-war taxes.

MR. BLOUGH: Congressman Reed of New York who was just playing politics.

MR. GASTON: He has been appointed Chairman of the Republican Post-War Tax Committee.

MR. SULLIVAN: Doughton said this morning that he and George made a joint statement.

MR. O'CONNELL: That was yesterday.

H.M.JR: Did we write that?

MR. BLOUGH: No, we didn't write it, but it is all right, I think.

MR. D.W. BELL: Mr. Doughton called me right after they had their meeting and said they met all morning in committee and discussed the matter and decided they would let the joint committee go ahead and study post-war taxes, but they increased the personnel of the Committee to include two more Republicans so there would be no advantage on the Democratic side. I asked him if the Committee was actually going to get down to work, did this mean that the technicians were going to go ahead? He said well the Committee would do some work, but they would rely on the technical staffs to move right along. It was a little uncertain in my mind when I got through, whether he intended that the headquarters of the meeting would be up at the Capitol or down at the Treasury. I have an idea Stam is pushing all of this so that it looks like a joint committee project, rather than a Treasury project.

H.M.JR: Now, do I do anything?

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MR. D.W. BELL: I don't believe so, at this time. I suggested to Mr. Doughton that I might have the first meeting in my office to kind of work out the procedure, which at least starts in the Treasury. I don't know whether we can hold it here from then on or not. I don't know--

MR. BLOUGH: I don't think you can, Dan.

MR. D.W. BELL: He didn't object to that. He said, "That will be fine, at least we will start off on the right basis of cooperation."

H.M.JR: But nothing for me?

MR. D.W. BELL: Not at this time, I don't believe.

H.M.JR: Now, you are having Paul assist, aren't you?

MR. BLOUGH: Paul has been out of town. I didn't know to what extent you wanted him in on our meetings with Cohen and Prichard.

H.M.JR: I would like to have him in. Will you tell him I said so?

MR. BLOUGH: Thank you. I wasn't aware of that and I will.

H.M.JR: Please. To the extent that he will come.

MR. BLOUGH: Sure.

H.M.JR: And of course, Mr. Sullivan.

MR. BLOUGH: He has been, I think, kept up to date.

MR. SULLIVAN: That's right.

H.M.JR: I would make use of all Paul's time that he will give us.

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Now here is a reply from Gordon Rentschler to my letter to him in regard to that public utility thing in Detroit.

MR. O'CONNELL: I have read it. I did not think it required an answer.

MR. SULLIVAN: Prentiss Brown called me. He is coming down to talk to me on Wednesday.

MR. GASTON: Rentschler crawls a little bit on this letter. He says he merely wanted to call your attention to the situation. Of course that wasn't what he merely wanted at all. He wanted to get in on it, which would be a terrible thing for us to advocate to resist reduction of rates that are excessive in order to increase our excess profits. It would be perfectly ridiculous.

H.M.JR: Anyway, I will be back here. I am going to fly back again. I will leave Chicago after my broadcast Monday night and be back here Tuesday morning.

MR. O'CONNELL: Could I take about two minutes on something which relates to this matter?

H.M.JR: That's the purpose of this meeting.

MR. O'CONNELL: There have been several newspaper articles, one in the Wall Street Journal and at least one in some public utility magazine, both of them to the general effect that the Treasury Department was considering seriously appearing in opposition to rate reductions on public utilities on the ground that the reductions would be largely borne by the Federal Government because they would reduce our excess-profits taxes. I had a letter from an attorney in New York, representing another public utility company, taking the same approach. The letter was sent also to the Commissioner of Internal Revenue, as well as to OPA, and I talked a bit about this to Herb yesterday, and it occurred to me that since our position was pretty

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clear in our own minds that we were certainly not going to oppose rate reductions on the ground that we are the senior partner in the excess profits. It might be well to consider having a release which will make clear what we have already said to Gordon Rentschler as well as to others, that we don't propose to follow the line which has been indicated in the Wall Street Journal, as we are about to do. There are two choices; one is to make a short statement saying this is a matter for public utility commissions to determine, and it is not a situation in which the Treasury Department wishes to interfere. If we don't do that, there is a reasonably good chance that we will be forced to a little later, because I am sure that the public utility commissions and Council of State Governments will go to work on us. If we make a statement, then it will appear as though we are forced to do it. I would like, if you don't think it would be wrong, to work with Mr. Gaston and Charlie Bell and get a short statement to put out in the form of a Treasury statement, of our position with respect to this problem. It's a very important question, but certainly confining ourselves only to rate cases, where the Public Utility Commission in Michigan, where it was ruled in the Supreme Court of Michigan that a state commission may exclude avoidable taxes such as excess-profits taxes for purposes of determining what a fair and reasonable rate prospectively will be. We ought to make our position clear in the matter.

H.M.JR: It interests me, the impact on McConnell.

MR. McCONNELL: On this question?

H.M.JR: Yes, would you get out a statement?

MR. McCONNELL: I don't know how extensively it appeared. If it only appeared in the Wall Street Journal--

MR. SULLIVAN: When Prentiss Brown called me he said, "I understand that the Treasury is concerned about this, and is opposed to these rates". I said, "Well, you misunderstand." He said, "Well, I read in the paper that you were studying the matter". I said, "No, that is not so", so he had it out in Michigan.

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MR. O'CONNELL: And I was informed by OPA yesterday that at some luncheon or some place in Michigan last week, Prentiss Brown indicated that he understood the Department's position was that we were opposed to rate reductions, because it would mostly be reflected in a loss of excess-profits taxes. Now the only newspaper publicity has been in the Wall Street Journal, all that I have seen.

H.M.JR: There are a lot of key people. My own feeling is that I think I would meet it before my hand was forced.

MR. McCONNELL: I think so.

MR. GASTON: If you were going to have a press conference, it could very readily be handled by an answer to a question. You could get Bryant very easily, in view of the story in the Wall Street Journal, to ask you what your position is.

H.M.JR: I don't have time to study it. I would rather have a prepared statement and have somebody, whoever the proper person is, handle it.

MR. SULLIVAN: Two phases on this question. The one that Joe mentioned is one, that is reduced rates. The other one is the Detroit situation where the City is considering a local ordinance which will recapture a certain amount--

MR. O'CONNELL: They have already passed it..

MR. SULLIVAN: I think--

H.M.JR: Why don't O'Connell, Sullivan and Gaston work on it? Get up a statement and put it out over my name?

MR. SULLIVAN: I am in favor of a statement.

H.M.JR: I would get it out, if possible, without-- if it doesn't rush you too much, to get it out Saturday for Monday release. Is that rushing you too much?

MR. GASTON: No, that can be done.

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MR. O'CONNELL: We just wanted to be sure you would have no objection.

H.M.JR: No, I know what is happening. This thing is being talked about and we are being put in a false position. I think it is better to clear it up.

MR. SULLIVAN: You don't want to wait until Wednesday when Brown gets here?

H.M.JR: No.

MR. GASTON: Brown was in Paul's office at great length. We talked to him at length about this. I opposed very strongly our getting into it at all.

H.M.JR: No, ever since my experience with Prentiss Brown while he was still Senator on that Branch Banking of Detroit--no.

MR. D.W. BELL: He is still in it.

H.M.JR: Sure. Okay?

MR. SULLIVAN: Yes.

H.M.JR: Now, here is Chester Bowles asking me to make an address to OPA on the Fifth War Loan. I think that ought to be referred to--right above me. Of course the last time OPA dragged it's feet--

MR. D.W. BELL: They have been dragging them right along.

H.M.JR: Tell him to get word to Chester Bowles.(To Charlie Bell) I think what I ought to do--what do you think?

MR. D.W. BELL: Write him a note and say you are tied up--

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H.M.JR: If I talk to any, I will talk to one representative of each group. I haven't done that yet. I don't see how I can begin to talk to them.

MR. GAMBLE: You don't have time to talk to the agencies.

H.M.JR: Have a nice letter back by two o'clock. (To Charlie Bell)

MR. D.W. BELL: You might tell him you will furnish somebody. There are people going around all the time talking.

H.M.JR: Sure.

Now again, Glasser, I don't know I would do anything about this, but I think it should be answered; here is Stettinius twice telling me that Dr. Kung is being provided with a plane to fly him here. I think I should just tell Stettinius, "Thank you".

MRS. KLOTZ: There is an acknowledgment there.

H.M.JR: Oh, yes, that's all right. There is nothing to this. That's all right.

MRS. KLOTZ: I did that.

H.M.JR: Now I think if you would stay behind I would like to go into this McCloy-DeGaulle thing with you and Glasser.

MR. D.W. BELL: All right.

H.M.JR: Is anybody else in on this?

MR. D.W. BELL: No.

MRS. KLOTZ: He has a ten-thirty meeting.

MR. D.W. BELL: He can wait. It's Elisha Friedman.

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MR. SULLIVAN: Never mind your watch. Look at the calendar!

MR. D.W. BELL: Just let him wait, I tried to get out of seeing him, but he insisted. He is in town.

H.M.JR: Do you mind? I'd let him wait.

MR. D.W. BELL: I don't mind. I am just trying to be nice. I have put him off three or four days. He keeps calling.

H.M.JR: Let's see, here is Monet--McCloy--

MR. D.W. BELL: We have tried to make a very good record of that whole thing.

H.M.JR: Then there is this last thing, which is a question of Dr. White expects to give publicity to the letter from the President to me, appointing me.

MRS. KLOTZ: Monetary Conference?

H.M.JR: Know anything about that, Charlie?

MR. SHAEFFER: No, sir, I have been waiting for the announcement to come out of the White House. The delegation has never been officially named yet.

MR. D.W. BELL: None of the delegates have been announced by the House.

H.M.JR: Rather than have this come out by itself, I think when the President announces the names, that would be a good time for him to announce his letter to me.

MR. SHAEFFER: Yes, sir.

H.M.JR: I hereby give you a photostat.

(Hands Mr. Shaeffer photostat of appointment letter from the President)

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Now, what is the status on the delegates?

MR. C.S. BELL: From the United States? It will be down today. Bernstein is sending it today. They have had two or three final changes in it.

H.M.JR: Mr. Shaeffer who handles press for me, meet Mr. Shaeffer. Could he get in on it?

MR. C.S. BELL: Yes, sir, they will send me a copy and I will give it to him.

H.M.JR: Again, Shaeffer plays to the White House, including that.

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

H.M.JR: That takes care of that. Is that a nice letter?

MRS. KLOTZ: Oh, so nice, that I thought you ought to read it. (Laughter) Harry said he was just amazed. It elaborated, I think. This isn't the letter.

MR. SULLIVAN: Good enough to read out loud?

H.M.JR: I will now do it without music.

"I am pleased that you will head the American Delegation which will participate in the United Nations Monetary and Financial Conference to be held at Bretton Woods, beginning July 1, 1944.

"It is my hope that this Conference will formulate for presentation to the participating governments definite proposals for an International Monetary Fund and possibly a Bank for Reconstruction and Development. In the invitation which I extended to these governments to participate in the Conference, I stated that the agreement by the Conference upon definite proposals will not be binding either morally or legally on the governments represented but will be referred to the respective governments for adoption or rejection. You will, of course, be governed accordingly in your discussions and negotiations.

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"In formulating a definite proposal for an International Monetary Fund, both you and the other delegates will be expected to adhere to the joint statement of principles of an International Monetary Fund announced April 21, 1944. You, as head of the delegation, are authorized, however, after consultation with the other delegates to agree to modifications which, in your opinion, are essential to the effectuation of an agreement and provided that such modifications do not fundamentally alter the principles set forth in the joint statement.

"You will apply the same principles in your discussions and negotiations with respect to the proposed Bank for Reconstruction and Development except that you will be governed by the principles agreed upon by the American Technical Committee.

"As the head of the American Delegation of the Conference, you will be the principal spokesman for this country and you will be expected to coordinate the activities and views of the other American delegates. You will, of course, work in close consultation with the Secretary of State."

Is that thrown in?

MR. O'CONNELL: That is in the letter.

H.M.JR: What is new, so far?

MR. O'CONNELL: I take back what I said. It's very much the same.

H.M.JR: "The responsibility which you and the other delegates of the American Delegation will undertake is the responsibility for demonstrating to the world that international post-war cooperation is possible. I am confident that you will do you best to accomplish the purposes of the Conference."

What is new in this?

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MR. O'CONNELL: There isn't anything new in it. I am sorry.

MRS. KLOTZ: Harry said it was.

MR. O'CONNELL: That is almost without change, the letter that I saw a month ago.

H.M.JR: Harry thought the President was wonderful, because he took what he wrote.

MR. GLASSER: Harry forgot he wrote it.

MR. D.W.BELL: Harry has been in a fog the last ten days.

MR. GASTON: Have the arrangements been made for the President to send the letter that has to be read to the delegates or anything of that sort?

H.M.JR: No, but I am not entirely sure the President isn't going to make a personal appearance.

MR. SULLIVAN: Grand.

MR. GASTON: That was another thing I was wondering about. It's a very important occasion. It is the first in line of conferences, and--

H.M.JR: Well, I think, following Mr. Gaston's suggestion, that the Treasury Staff should begin drafting a statement for the President which he could give in person. That ought to be done right away, Glasser.

MR. GLASSER: Right.

MR. GASTON: That will affect very much what you say.

H.M.JR: Right. Will you start and consult with Mr. Gaston, please?

MR. GLASSER: Yes.

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H.M.JR: Ask for his cooperation, which I am sure you will get--

MR. GLASSER: Yes, sir.

H.M.JR: This is from Nevil Ford.

"Mr. Hoving will present you with a large pair of scissors". Will you tell him I need a pair of nail scissors very badly?

MR. GAMBLE: These are about the size of that desk!

H.M.JR: That I will be very glad to get a pair of nail scissors--

MR. GAMBLE: These are toe nail size.

MR. SULLIVAN: What happened to the ones I gave you?

H.M.JR: I think a member of the family has borrowed them.

MR. SULLIVAN: I will send you another.

H.M.JR: It's very funny. This sheriff of Los Angeles. I think he is a Mexican or Italian. He gave me this hat.

MR. GAMBLE: He is a Mexican.

H.M.JR: He kept saying to put it on. Well, it was too small for me, do you see?

MRS. KLOTZ: They asked for your head size.

H.M.JR: Yes, I know. I said, "Do you suppose, without offending anybody, I could get a size that would fit me?" He says, "Oh, please, Mr. Morgenthau, this is the last hat in Los Angeles. Take it away and don't say anything". And I got a beautiful badge, Honorary Sheriff of Los Angeles. I said, "Did everybody get this", he said, "Oh, no, not everybody, but almost everybody."

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MR. SULLIVAN: Did the Mayor talk to you?

H.M.JR: I got my mayors all mixed up. One mayor met me at the airport and another at the dinner. Is there one of Los Angeles County and one of Los Angeles City?

MR. GAMBLE: Probably either Hollywood or Burbank.

MR. GASTON: Hollywood is in Los Angeles.

H.M.JR: There are two different mayors.

MR. GASTON: Fletcher Barron is the Los Angeles mayor. A rather stocky fellow.

H.M.JR: The first time he ever gave a speech that anybody could ever smile at. He is usually so dry.

MR. GASTON: He is that type, very dry.

H.M.JR: You can't talk Sunday night in the Bible Belt, but you can get drunk. This is for you, Nevil Ford.

MR. GAMBLE: I have a copy of it, sir.

MR. SULLIVAN: I was invited to that luncheon, too. Should I accept?

H.M.JR: If you don't mind, I think you had better stick around here and help out at this end. I think we are doubling up there, if you don't mind?

MR. SULLIVAN: That's why I mentioned it.

H.M.JR: I think you had better.

MR. D.W. BELL: I have already turned mine down.

H.M.JR: I think you had better. This is Momet. I think we had better do that now. Herbert, I am sorry I have taken so long.

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MR. GASTON: Mr. Bowles now would like to have you give him the help for two or three months of one of our good supervising agents of the Secret Service. I think it is a very reasonable request.

H.M.JR: We gave him one.

MR. GASTON: He wants somebody different and I think he should have somebody different. He wants somebody like McGrath in New York or Anheier here in Washington, who is really a practical supervising agent. And I think we ought to try to let him have a man.

H.M.JR: Well, what ever you decide.

MR. GASTON: Right.

H.M.JR: What else do you have?

MR. GASTON: I don't know of anything else.

H.M.JR: Mr. Sullivan?

MR. SULLIVAN: No, sir.

MR. SHAEFFER: The Herald Tribune asked me the other night if Bretton Woods of New Hampshire was a Democrat or Republican. That is all I have.

MR. SULLIVAN: Woke him up at twelve-thirty.

H.M.JR: Say it again.

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MR. SHAEFFER: The New York Herald Tribune called me out of sound sleep and asked whether Bretton Woods of New Hampshire was a Democrat or Republican. The Times had printed the list of delegates and they were scooped. They were trying to identify the various people that Times had mentioned.

H.M.JR: Are you being serious?

MR. SHAEFFER: Yes. (Laughter)

H.M.JR: I think that is wonderful.

MR. D.W. BELL: Got Charlie up.

MR. SHAEFFER: No, the phone is right beside my bed. But it got me awake.

MR. C.S. BELL: Philadelphia papers said they got you up. It was in the Philadelphia papers.

MR. SHAEFFER: That's all.

H.M.JR: How are the arrangements for the press at Bretton Woods? (Mr. Shaeffer sighs)

H.M.JR: Okay. (Laughter)

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MR. SULLIVAN: It was settled yesterday afternoon. Charlie Bell had a man up there who called me and said that the fellow who owned the Twin Mountain House would have to know yesterday if he was going to open it. I called McDermott and said, "What are you going to do about the Twin Mountain House?"

He said, "We are going to take it."

I said, "Do you have the required number of reservations?" He said, "Yes."

I said, "When are you going to let them know?" He said, "Sometime the first of the week."

I said, "I have just heard from them up there and they will have to know today." So he telephoned yesterday afternoon. So that is settled.

MR. C.S. BELL: I meant to tell you and I forgot.

H.M.JR: Thanks, John, very much. I asked John to get into this, as New Hampshire's leading citizen.

MR. SHAEFFER: Can they get meals at this hotel?

MR. SULLIVAN: I don't know.

H.M.JR: And you might tell them out of the side of your mouth that John helped them, see?

MR. SULLIVAN: I don't know. Let's wait until we see how the food is.

H.M.JR: Tell them, anyway.

What else?

MR. O'CONNELL: If you don't already know it, I can tell you in a minute about the substance of the SKF ball-bearing deal made a couple of days ago in Sweden by our man Griffif.

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H.M.JR: I don't know.

MR. O'CONNELL: They concluded an agreement to reduce for the next four months shipment of ballbearings to Germany by seventy percent from the amount shipped under the 1943 War Trade Agreement. Now, the War Trade Agreement concluded late in '43 provided for a selling of about fifty percent of the bearings that had been shipped prior to that time, so that the result of the present interim arrangement is that they will be shipping for the next four months about fifteen percent of the amount that was shipped during 1943 - about thirty percent of the amount shipped prior to this interim four-months period. It seems to be - if you can't shut them off entirely, it isn't too bad a deal.

H.M.JR: You say our man Griffif?

MR. O'CONNELL: I mean the Government. He is FEA, of course. On our side we agreed to pay them an amount of about eight million two hundred thousand dollars during this four-months period, about six million of which goes to purchase bearings and other things which would otherwise have gone to Germany. That is a straight preclusive buying arrangement. About two million will be used to pre-empt a factory otherwise used to produce bearings. You just pay them to let the factory stand idle. The difference of the eight million two is between us and the British on an equitable basis. The details haven't been worked out.

H.M.JR: Not on a basis of their relative wealth?

MR. O'CONNELL: Taking into consideration not relative financial strength, but the extent to which the British in the past months have spent money on this same line.

I don't know just exactly what that means, but there is no consideration being given to the relative financial strength of the two countries, so far as any information we have is concerned. I have a somewhat longer memorandum you might want to keep. (Hands Secretary summary of ballbearing agreement with SKF)

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H.M.JR: We will put it in the files.

MR. O'CONNELL: I also have a short letter here-- you remember last week some material came over.

H.M.JR: Was there anything secret in that?

MR. O'CONNELL: There wasn't anything we hadn't already had for weeks.

One more thing I might mention, and that is it has been emphasized that the fact of the agreement as well as the terms of the agreement are very ultra secret. It is also true that the fact of the agreement has appeared in about every newspaper in the country, but the details that I have mentioned here are, so far as I know, not generally known, and I think it should be emphasized that we are not to tell people indiscriminately.

H.M.JR: Everybody hear what Mr. General Counsel said as to the secrecy?

MR. O'CONNELL: That is all I have.

H.M.JR: I will say this much, I have yet to find the first leak from the nine-thirty Group, that I know of. I don't know of a single leak, do you Charlie?

MR. SHAEFFER: No, sir.

H.M.JR: I really don't. I don't know of any leaks we have ever had. The first time we ever have a leak will be the last nine-thirty Group meeting.

John, before you go after me - I read in the New York Times the text of Roosevelt's message to Congress. Would you explain how come?

MR. PEHLE: Yes, well, as you know, the last time we went over there no mention was made of the message to Congress.

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H.M.JR: We discussed it. You said not to bring it up. Wait a minute, for the record, you put it up to me we shouldn't bring it up and I thought it would be a mistake.

MR. PEHLE: We knew about it when it appeared in the Evening Star - that is the first. I immediately checked with Early's office and got copies of it. It is substantially as we had written it and previously furnished it to the President. And what he had done was to ask State's advice on the message to Congress - and they gave him their advice without consulting us, incidentally - and they changed a few paragraphs and left out one. The effect of the message, however, as far as can be ascertained at this point, has been all good.

Senator Holman, who is a pretty bad person, anyhow, got up on the Floor--

H.M.JR: Of what State?

MR. PEHLE: Oregon. He has just been defeated by Wayne Morse; he is a lame duck. He got up and made a very bitter short speech and yesterday Westbrook Pegler came out - we were honored by having Pegler come out--

H.M.JR: Mrs. Morgenthau said I should look at it. I haven't seen it.

MR. PEHLE: I have it here. I will give it to you later.

MR. GAMBLE: Holman is sore because he blames his defeat on Aaron Frank and Palmer Hoyt, and so stated in the Congressional record.

H.M.JR: Palmer Hoyt is OWI, or was.

MR. GAMBLE: He thinks that Frank was responsible for his defeat out there.

H.M.JR: Good for Frank.

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MR. GAMBLE: That was my point in mentioning it. I think it is a tribute to Frank.

H.M.JR: If Frank works against him?

MR. GAMBLE: Yes, sir.

H.M.JR: Frank is a prominent Republican out there, isn't he?

MR. GASTON: Yes. They nominated Wayne Morse, formerly of the War Labor Board.

MR. O'CONNELL: It was the Republican Primary, not an election.

H.M.JR: Isn't in Oregon the Republican Primary the same as an election?

MR. GASTON: Sometimes.

H.M.JR: How far did we get?

MR. PEHLE: State gave the President the comments and the President, in the curious way in which they work over there, sends it down; just like they gave out the cable to Murphy and the memorandum that the agency has which was never supposed to be made public. Fortunately there was nothing in it that is hurting except a rather casual reference to UNRRA by Governor Lehman which I hear he is a little disturbed about.

H.M.JR: What casual reference?

MR. PEHLE: It said until UNRRA is ready to assume the responsibility, we will do it this other way.

H.M.JR: I read the Times thing three times and it was so garbled I couldn't tell which was the cable to Murphy and which was the other.

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MR. PEHLE: They ran it together, but the press has been pretty clear on it, generally.

H.M.JR: Didn't we give a complete set to Early? Didn't we give two sets - we said, "Here is one to the President."

MR. PEHLE: We sent to Charlie Bell, at your request, two sets to Latta. Then when we prepared the material for Early we included a set of the cables in there.

Now, in retrospect, we probably should have warned Early that was not for publication; although, when it is marked "Secret," and so forth, you would think that would be enough.

H.M.JR: I don't think it did any harm.

MR. PEHLE: No, but it was accidental.

H.M.JR: As a matter of fact, I thought that sending the cable to Murphy was very good. I mean, putting it out publicly, because I feel the less secrecy on this thing - the fact that all the cards are on the table - this is what the President did - this is what he sent to Murphy - I personally was delighted.

MR. PEHLE: It is all on the good side.

Now we have a cable from Murphy, "Tell the President this is all in the bag; it is going along nicely."

We got another one yesterday which I would like to talk to you further about later, which is full of incorrect statements which Murphy knew were incorrect when he made them, and it is going to require a tough cable back to tell him that he can't get away with that.

H.M.JR: Tell them outside. I will work you in somehow.

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MR. PEHLE: All right. That is all I have.

H.M.JR: Mr. Glasser all right?

MR. GLASSER: Yes, sir.

H.M.JR: You tell White in your office it is up to you people to get in touch with me if there is anything that you want me to do on the Monetary Conference, do you see? You people will have to get after me, do you see? If I don't hear from you I take it that there is nothing you want me to do. So let's leave it on that basis. I have the time and I want to help, but I won't be calling up. If there is something you want me for, it is up to you to tell me, see?

MR. GLASSER: Yes, sir.

H.M.JR: So let's leave it on that basis.

MR. GLASSER: Yes, sir.

MR. GAMBLE: In this Ford letter he asks if you want to visit the Army Show following this luncheon. It is in Central Park. General Terry wants to escort you through it. It will probably take forty-five minutes to an hour. It is probably something you will enjoy seeing.

H.M.JR: This is my plan, so far as I know. I hope to leave Chicago on Monday and get back here Tuesday morning. I will be here Tuesday and plan to go up Wednesday morning. It will be time enough if you will ask me Wednesday morning. Let me see how I feel. I don't know what I am going to do Wednesday afternoon.

MR. SULLIVAN: It won't take that long to go through it, Ted; it is very compact.

MR. GAMBLE: What I meant, it will take that much time all together.

H.M.JR: I haven't thought beyond Wednesday noon. I just don't know what I am doing.

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MR. SULLIVAN: I think pictures of you with some of the equipment at that exhibit will be helpful both in New York and all around the country.

H.M.JR: I am mixed. Could you get me up a fresh schedule of what I am doing, starting with Chicago?

MR. GAMBLE: Yes.

H.M.JR: Could you get it to Mrs. Klotz by two o'clock?

MR. GAMBLE: Yes.

MRS. KLOTZ: Can't I just copy it off from Chicago on?

H.M.JR: Do you have it?

MRS. KLOTZ: Yes, I have your schedule.

MR. GAMBLE: There is no change in it at all.

H.M.JR: All right, get me a fresh one,

George?

MR. HAAS: As soon as I get back to the office I will send you a report on Mrs. Roosevelt's little document of seven hundred and fifty pages. It is in my office. I forgot to bring it in. There are some interesting things.

H.M.JR: Get it to Mrs. Klotz by two, will you?

MR. HAAS: As soon as I get back to the office.

H.M.JR: Anything about the Drive I ought to know, from your standpoint?

MR. HAAS: No, sir. It is really too early to have any statistical judgment.

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H.M.JR: What are the excess reserves?

MR. HAAS: I haven't seen this Wednesday. We are nine hundred something.

MR. D.W. BELL: Just under it.

H.M.JR: You haven't got--

MR. HAAS: It is between nine hundred and a billion dollars. They have been staying that way for several weeks.

H.M.JR: Anything about the money market I ought to know?

MR. HAAS: No, it is handled all right. I would like to have it a little looser and a little more buoyant, but evidently they won't do it that way, so--

MR. BLOUGH: The Pension Trust hearings have gotten put over until toward the end of the summer. The hearings so far - there has been a considerable amount of criticism of the lack of speed with which the Bureau is getting out cases. We are going to concentrate on trying to get cases out with the thought that the whole thing may blow over later in the summer if that is done. Surrey and I are meeting with Stam today on another matter - technical matter. Stam doesn't seem a bit anxious to get together and we will feel him out on the question of when to meet and under what circumstances. I think things are pretty much under control. All is not entirely sweetness and light between Stam and us, but I don't think we have done anything to which he can really take offense, and I think we are doing what we have to do in the case.

H.M.JR: Anything else?

MR. BLOUGH: No.

H.M.JR: What is his status as to civil life - Surrey?

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MR. BLOUGH: He is at an age now where he would automatically fall in this deferable group. I am not sure what his plans are.

H.M.JR: Dan, would you make a note to find out whether I can count on his staying the balance of this year, or not?

MR. D.W. BELL: Yes.

H.M.JR: It would be nice to kind of know.

MR. D.W. BELL: I have not talked to him about it. I just assumed that he was trying to get in the military service.

MR. BLOUGH: I think that is true, but I just don't know what he has planned to do.

This National Association of Tax Administrators Meeting in St. Paul, as I indicated to you, I think I should go. That would take me - I wouldn't be here Tuesday of next week.

H.M.JR: That is all right.

MR. BLOUGH: O.K. That is all.

H.M.JR: Mr. McConnell?

MR. McCONNELL: In some of the papers that FEA and State Department handed to Harry White for comment there was an aide memoire drafted jointly by the FEA and State Department setting forth the manner in which payment of Lend-Lease goods sold by the United Kingdom and liberated areas would be divided between the United States and the United Kingdom.

H.M.JR: This is just Lend-Lease?

MR. McCONNELL: Just Lend-Lease and closely similar material.

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The memorandum stated that Great Britain would receive a large proportion of the proceeds of the sale of Lend-Lease goods and closely similar material in liberated areas during the military period.

That we have objected to and have written a letter - proposed letter - for you to send to the Secretary of State citing that objection on the basis that we did not think that the British should sell Lend-Lease goods and retain the payment in France or elsewhere.

H.M.JR: No question about that.

MR. McCONNELL: The letter is very short.

H.M.JR: Who has seen it besides you?

MR. McCONNELL: Mr. Bell, Mr. O'Connell, and Mr. Glasser. (Hands letter to the Secretary)

H.M.JR: Do you mind if I take time to read it? Are you going to send a copy of this to Crowley?

MR. McCONNELL: We hadn't discussed that.

MR. O'CONNELL: We would, certainly.

H.M.JR: Will you fix up a letter on that and get it to Mrs. Klotz by two? I will hold this letter until we can send them simultaneously.

MR. D.W. BELL: This just covers the one point mentioned by Mr. McConnell there. It reserves the right to comment on the rest of the aide memoire later on.

MR. McCONNELL: But that seemed to be such an important part of that question of policy that we thought we had better emphasize it in one letter.

H.M.JR: Couldn't we find out whether Crowley's people are in sympathy with this?

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MR. O'CONNELL: I think they are. I think Crowley is more or less acquiescent.

MR. D.W. BELL: I think State and FEA drafted this jointly. I think we are alone on this, probably.

H.M.JR: Alone? What do you mean?

MR. D.W. BELL: We are the one agency that is proposing the procedure.

H.M.JR: Where is Crowley?

MR. D.W. BELL: I am not sure, but I think Crowley's crowd and the State Department drafted that aide memoire.

MR. McCONNELL: It said so when they sent it to us.

MR. GLASSER: Some of Crowley's men are in sympathy with the State Department position, but it is very hard to tell where FEA stands, since they don't have very good discipline.

H.M.JR: I think it is not only courteous but smart for me to call up Crowley and say that I am sending this and I just wanted to know whether he was in sympathy with me or not. After all, I am writing to Hull about a matter which is really Crowley's responsibility. I would like to call up Crowley right now.

MR. McCONNELL: We had a meeting the first of the week at which Mr. Stein and Mr. Angell came from FEA not believing that they might be in entire sympathy with this joint draft. I am quite sure when we left that meeting we were sure they were in sympathy with the joint draft - with State.

H.M.JR: I know that I don't want Crowley writing to Mr. Hull about me without first talking to me. Incidentally, has Crowley been told he is going to be a delegate?

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

MRS. KLOTZ: Was he at the meeting they had the other day? They had a meeting of the delegates before Harry went away.

MR. D.W. BELL: I think that was the Congressional delegates, mainly.

MR. C.S. BELL: I don't believe so, sir - not officially, anyway.

H.M.JR: Has anybody talked to him?

MR. D.W. BELL: We assumed the State Department did that because we got word.

MR. SHAEFFER: His name has never appeared on any list.

MR. D.W. BELL: Mrs. Klotz got word, didn't you? - that in notifying Mr. Hull, Mr. Crowley would be on the list and Jesse Jones would not be? Didn't that all go together to Hull?

MRS. KLOTZ: No.

H.M.JR: Crowley has been cleared.

MR. D.W. BELL: We assumed that Secretary Hull notified him.

H.M.JR: Didn't somebody put that up?

MRS. KLOTZ: Harry handled that himself, I think.

MR. C.S. BELL: That is all supposed to be concluded today.

H.M.JR: Let me ask Vinson.

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MRS. KLOTZ: Everybody did a little bit of something, I know, in all of these things; Harry White has been in constant touch with Vinson - that, I do know.

H.M.JR: Where do we stand with the agreement that what's-his-name was trying to make - Acheson?

MR. McCONNELL: Those letters have been passed, and this matter, of course, is very closely related to that subject and is being handled, as far as I know, by the State Department. I think that letter is probably addressed to Mr. Hull. In that connection, the division of the cost of relief for liberated areas during the military period, memoranda have been passed.

H.M.JR: I will hold this up, but see that it goes at two o'clock.

MRS. KLOTZ: Yes.

H.M.JR: I want a letter to Crowley, but I want this just as a reminder.

Go ahead.

MR. McCONNELL: In that connection, the British have said, "It is the view of His Majesty's Government that any such final settlement between the supplying countries must be on an equitable basis and must be based upon the recognition of the relative financial strength of the countries concerned," to which the State Department adds: "Department of State has noted"--

H.M.JR: Excuse me. What you were reading first was from the British to us?

MR. McCONNELL: That is right, sir. This is the answer of the State Department: "Department of State has noted the general observations made in the aide memoire concerning this final settlement including the statement that the British Government has not been able

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to regard an equal share of the burden of relief in the military period between the two countries as an equitable settlement. The Department takes the view that the final settlement should be on a fair and equitable basis in the determination of which no relevant factor should be excluded" - period. (Laughter)

That is just what we asked for.

MR. D.W. BELL: That includes financial standing.

H.M.JR: That is all right. That is what we asked for.

MR. McCONNELL: Now, there is one development - last night--

H.M.JR: You can't defeat the Scotch and Irish with just a little dash of Jew. It is a hard combination.

MR. McCONNELL: Canada has come through and offered to carry eight percent of that burden to which we all agreed, I believe. That is predicated upon - Canada figured that out upon the relation of the number of Canadian troops, the total number of troops for invasion purposes, I assume--

H.M.JR: On a troop basis? That is interesting. On that basis England would have to pay quite a lot.

MR. D.W. BELL: On the basis of population, they would have to pay about four times.

H.M.JR: If all the members of the British Empire were as good as Canada we wouldn't have any troubles.

MR. McCONNELL: Apparently Canada didn't want to deal under an agreement--

H.M.JR: Mr. McConnell, you should resign in a blaze of glory because you have had one success versus the

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State Department. Then you could say, "I always was successful in my dealings with the State Department." It will most likely be the last time, but you were successful. I really feel sorry for you, because very soon that columnist Frank Kent is going to begin to do a job on you. You will soon be a sinister person.

MR. McCONNELL: Somebody said I wouldn't be invited to any garden parties from now on.

H.M.JR: You will soon be a very sinister person. That is O.K.

MR. McCONNELL: I don't quite understand the idea that Great Britain should keep the money from the sales of Lend-Lease goods.

MR. SULLIVAN: Neither do the American people, nor the Congress.

H.M.JR: Bob, here is the thing: What happens, you see, they see these drafts that come over like this one from the State Department; then they put us on the spot and try to get us to agree to the British draft. Those things happen all the time. You talk about this trip which one Senator from North Dakota criticised; we went into the Middle East and were able to kill what the British were doing. To give you a little example, no American machinery dealer could sell machinery in that section under his own name. It had to go through a British dealer. No American drug dealer could sell anything. It had to go through a British dealer. We lost all our representation that any American businessman had in the Middle East. Everything went through a British middleman. And that is the way it was.

Not only that - you check me, Glasser - the money we got, we couldn't get the money back; they gave it as a book credit.

MR. GLASSER: On Lend-Lease supplies?

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H.M.JR: No, cash sales.

MR. GLASSER: No, we have a problem now. Lend-Lease has required local currencies in various places. We are trying now to get them cashed in real money.

H.M.JR: But as of now it is local currency or book credit.

MR. GLASSER: Yes, sir.

H.M.JR: Anyway, you will learn as you go along; that is the usual way. Now, the only thing I think we ought to do, where we fall down for lack of time, we don't tell the President about these things, do you see? Then he gets a cablegram from Churchill. He doesn't know because I don't like to bother him. I hate to bother him. Occasionally he will answer these cables from Churchill because I didn't let him know.

Now, what I think you ought to do - have it for me when I get back. Let's review this thing to the President and tell him that this is the position that we have taken, and tell him this story about this whole business, so you see?

This is what the British want, and this is what we did on the Lend-Lease - these two factors, the relative wealth factor, and the other. Try to put it into one page, will you, and have it for me when I come back Tuesday morning?

MR. McCONNELL: Yes, sir.

H.M.JR: So If the President gets a cable from Churchill he will know what happened; otherwise he has no way of knowing. I will tell you something a little bit better - do it both ways. Would it be rushing you too much to let me have this by five minutes of one? Because Leahy is coming here. All those cables go through his hands.

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MR. McCONNELL: You mean a resume on one page.

H.M.JR: Yes, a memorandum to the President with copy to Admiral Leahy.

I will hand these to Leahy. That will be a signal to him.

I can have it by five minutes of one, can't I?

MR. McCONNELL: Yes, sir.

H.M.JR: Two copies. One for the President, and say on the bottom "Copy to Admiral Leahy."

They will do what they always do; they will go to Churchill, Churchill will send one to the President and if it comes through Leahy, he will be watching it.

Leahy will be a hundred percent for us on this.

He is worried about the bonds he has bought for his grandchildren and now they are going to be paid off. He told me.

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H.M.JR: All right?

It's a good job. I'm sorry for you, though. Oh, boy!

MR. D. W. BELL: I had a conference with Mr. Stettinius on the Netherlands loan. During the conversation we got to talking about the background of the loan, and I said I didn't think that I was so much interested in it; that I thought what I came over for was to try to work out a procedure whereby the two Departments would cooperate on this matter, and that I thought the present loan had been effectively stopped.

H.M.JR: He thought it had?

MR. D. W. BELL: Collado said in his understanding, it had not been stopped.

Well, then I said I didn't have any record with me, but I understand from you that Miss Tully had told you that a note had gone to Jones.

H.M.JR: A message.

MR. D. W. BELL: ...or something--not to take any action on the President's note.

And they hadn't known about it. Well, he was to check up. I got word this morning that--

H.M.JR: Wait a minute. Just hold it. I told Miss Chauncey to let Ed Stettinius' secretary know of this conversation that I had; and I am sure that Miss Chauncey did it--that word had gone from Miss Tully to Jones. And I told her to call up Stettinius' secretary and tell them that.

MR. D. W. BELL: He didn't say anything. Collado and Dean Acheson both said they didn't know it had been stopped, but upon checking they found that Jones did get a message of some kind to not take any further action on the loan.

But in working out a procedure, there are two ways

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in which it can be done. Mr. Acheson suggested it might be done through a committee of State, Treasury, FEA, and probably you'd have to have the RFC on it. The Export-Import Bank, you know, is now under FEA, so they'd have to be represented. And this committee could be composed of the top officials of those organizations, or it could be officials lower down.

Now, he also suggested that it might be done with his committee, which the President has set up and which has authority to do this very thing and on which you are represented. That would certainly save setting up another committee. I told him you would definitely want it understood to take no action to recommend a loan unless it had first been brought to your attention.

(Miss Chauncey enters the conference)

H.M.JR: Will you refresh my memory, Miss Chauncey? Do you remember after my conversation with Miss Tully, when she said she would let Mr. Jones know? What did you do?

MISS CHAUNCEY: After the first conversation with Miss Tully, I called Mr. Stettinius and told him that the President said you and he should talk it over. Then later Miss Tully phoned you and said she had put that stop order on with Mr. Jones. I spoke to him in the afternoon after your first conversation with Miss Tully.

H.M.JR: Did you tell the men that the President put a stop order on that?

MISS CHAUNCEY: I think that appeared in the meeting.

H.M.JR: Check that. I think you are wrong.

(Miss Chauncey leaves the conference)

Anyway, they know it now.

Wait a minute. I don't want this to go to Acheson's committee. I don't want Acheson's committee to handle foreign loans.

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MR. D. W. BELL: That is a committee to study those matters and make recommendations. Now, you are represented on that committee. It is a question of whether you want to set up another committee or do it through an existing committee.

H.M.JR: No, I want to set up another committee.

MR. D. W. BELL: Stettinius raised the question, and I said I didn't know what you thought. We'll have to have another conference with him on that. He raised the question as to whether he ought to do it just in agreement between you and Mr. Hull, or whether you ought to have a Presidential letter on it.

H.M.JR: Oh, no. I wanted another committee, and if you don't mind I'd like you to represent me.

MR. D. W. BELL: Well, we'll have to talk to him about it. We don't have to worry about it until Aldrich comes to town, around the first of the month.

H.M.JR: Stettinius laughed and said, "The joke is on you, because Jones is willing to do it at three percent, and Alrich wants more." I said, "No, the joke is on you, because Aldrich is going to do it at two percent."

MR. McCONNELL: Jones' money costs one percent?

H.M.JR: Yes.

MR. D. W. BELL: Well, State Department agreed there ought to be private participation in it, and so stated in the memorandum.

H.M.JR: Now, what else do you have?

MR. D. W. BELL: Colonel Meacham came over to see me yesterday. They have been discussing the matter of allowing--or setting up, really, in the first instance--Army banks behind the lines, manned by Army officers taken from American banks who have branches in these countries, so that they can furnish this banking service to the Army at the same time and be prepared to open the

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branches whenever they get to those spots. I have been in favor of that all along, and I think we ought to say that we have no objection to it, because all we are doing--

H.M.JR: In this country or in Europe?

MR. D. W. BELL: In Europe. It is somewhat similar to the facilities we created at the Army posts, although these in foreign countries would be under the Army, and they would do it.

H.M.JR: It would be all right when General De Gaulle opens his first bank?

MR. D. W. BELL: Well, I am getting a little tired of doing business with British branches all over the world. I think it would be a nice thing if we could do business with American branches.

H.M.JR: Will this mean the American branches under Army supervision?

MR. D. W. BELL: They are really Army banks manned by Army officers, but taken from the American banks. The minute they are ready to open their branches, there they are and they will de-commission them.

H.M.JR: Who was smart enough for that?

MR. D. W. BELL: Carter and I have been discussing it for a long time. He hasn't been able to get much interest in the Army crowd over there. Colonel Meacham now has gotten ahold of it. Being a banker, he is very much interested, and says Somervell will go along now if we offer no objection.

H.M.JR: It is all right with me, Dan.

MR. D. W. BELL: Here is a letter I got from Stimson. It isn't exactly what I asked for. I wondered if you had asked for some subsequent information. (Hands Secretary Memorandum from Secretary Stimson concerning casualties in Italy)

I think you can just file it, if it wasn't what you asked for. Maybe we should acknowledge it and thank them.

H.M.JR: Will you do that, Mrs. Klotz? (Hands letter to Mrs. Klotz.)

MR. D. W. BELL: There are those French coins and currency you want to give to the Press. (Hands envelope to the Secretary)

H.M.JR: Do I pay for them?

MR. D. W. BELL: They are all specimens, except the coins.

H.M.JR: Do I pay for them?

MR. D. W. BELL: No, we just marked it off. That is all I have.

MR. C. S. BELL: We are expecting the foreign delegation up over this weekend at Atlantic City. Harry was all established yesterday and everything is rolling along nicely with his group. He would like to have me up there to assist him.

H.M.JR: To do what?

MR. C. S. BELL: Quite a problem arises in connection with the foreign delegation, finding them space and rooms and equipment. Typical, the French wanted to bring four stenographers and three delegates and a head.

H.M.JR: Does this come under the heading of work or a rest?

MR. C. S. BELL: They worked there yesterday until eight-thirty last night.

H.M.JR: I mean you.

MR. C. S. BELL: It has so far been all work. There have been a score of rough spots we have had to take ahold

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of and iron out.

H.M.JR: Why can't Larson go?

MR. C. S. BELL: I am using him on this.

H.M.JR: Let Larson go.

MR. C. S. BELL: Just as soon as we get squared away. The delegates are from fourteen foreign countries, and they will have to be handled a little delicately. There has been no provision made for them by the State Department. I'd be afraid to trust that to Larson, sir.

H.M.JR: All right. Okay.

MR. C. S. BELL: There are a lot of rough spots on Bretton Woods. We are just taking hold and ironing them out--State Department or no State Department. We have had a score of spats with them, and now we are doing what has to be done without going too far out on a limb.

H.M.JR: Okay.

MR. C. S. BELL: There is a little priority representation there, but we are not getting into anything that is irregular. There is some irregular stuff that we are not touching.

H.M.JR: All right. I hope you don't handle the liquor. I am serious.

MR. C. S. BELL: At Bretton Woods? No, sir, we are out of that.

H.M.JR: Don't get into that. Are you, at Atlantic City?

MR. C. S. BELL: No, sir. There is no trouble on the liquor at Atlantic City.

H.M.JR: Don't get into the liquor business.

MR. C. S. BELL: That is quite a favor you are doing Clement, of Pennsylvania. They need that space pretty

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badly. (Secretary signs letter to Mr. Clement, President, Pennsylvania Railroad.)

H.M.JR: If we can't get a Pullman seat now, we're no good.

MR. C. S. BELL: One other little thing that can wait until you get back is in connection with Olrich and OPA. It is possible that they may bring suit against Munsingwear for possibly a quarter of a million dollars. Joe O'Connell and Tom Lynch have been in it. They will have the answers for you next week. There is no hurry about it. But if they do, Olrich will want to take his coat off and get out of this picture and into that one, and do some fighting.

MR. O'CONNELL: He may. He is more or less on the fence. I think it ought to be deferred until next week. He just came back today from Chicago.

H.M.JR: What does OPA claim?

MR. O'CONNELL: There is a dispute as to whether they have been using the right one of two alternative methods for pricing Munsingwear, whatever it is. It has been a long drawn-out dispute. They couldn't settle it amicably, so the OPA is bringing a suit for an injunction. It isn't a criminal case; it is a technical matter. We haven't followed it through completely. All we have done is talk to Olrich. But we are getting the papers. When Olrich is back, we will talk to him again and I am sure when you are back we will be able to tell you whether it is a serious problem.

H.M.JR: Can't you get OPA to hold up the thing until I can look at it?

MR. O'CONNELL: I would hesitate to do that.

MR. C. S. BELL: OPA isn't far enough along with the thing to do anything about it for really a matter of weeks.

MR. O'CONNELL: Oh, yes, surely. The fact that a

suit is being brought against this company should not concern us. Two, if Mr. Olrich felt he was being personally attacked, --

H.M.JR: I don't agree with you. If they are going to bring a suit against Munsingwear, it does involve us.

MR. SULLIVAN: You will recall, Mr. Secretary, that Olrich mentioned this possibility to us before he came to us.

H.M.JR: I don't remember.

MR. SULLIVAN: Yes, sir; and at your request I checked with OPA and they told me that any violations involved were of a technical nature, and there was nothing in the situation which would in any way deter you from engaging Mr. Olrich.

H.M.JR: Did they say it in writing?

MR. SULLIVAN: I don't recall. I think I sent you a memorandum in writing.

H.M.JR: Okay.

June 16, 1944

Dear Mr. President:

I refer to your memorandum of June 12 on the subject of the recommendation for the appointment of William H. Burke as Collector of Customs at Boston, Massachusetts.

After reviewing the matter, I am still of the opinion that Burke is not the right type of man to make a satisfactory collector. However, if you direct me to send over the appointment, I shall of course comply cheerfully.

Sincerely,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

The President

The White House

HEG/mah

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THE WHITE HOUSE
WASHINGTON

June 12, 1944.

MEMORANDUM FOR

THE SECRETARY OF THE TREASURY

If we are going to do anything about Burke in Massachusetts I think we should do it now. All of your opposition people were the "parlor type". I still think Burke would make a good Collector. Why not send over his name?

F. D. R.

*Tracy -
L-7-10-44*

June 16, 1944

Dear Harry:

Thank you for your letter of
June 14th sending me the information
I had requested of General Clay con-
cerning U. S. Casualties in Italy.

Yours sincerely,

(Signed) Henry

Honorable Henry L. Stimson,
Secretary of War.

SECRET

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Original to Mr. D. Bell
6/14/44

JUN 14 1944

The Honorable,

The Secretary of the Treasury.

Dear Mr. Secretary:

In response to your informal request to General Clay, the following information is furnished on U. S. casualties in connection with combat operations on the mainland of Italy:

Cumulative to 7 June 1944 -

Killed	-	11,220
Wounded	-	<u>42,892</u>
Total	-	54,112

The casualties in the current operation, 10 May 1944 to 7 June 1944 are:

Killed	-	2,810
Wounded	-	<u>12,888</u>
Total	-	15,698

Sincerely yours,

(Sgd.) HENRY L. STIMSON

Secretary of War.

SECRET

June 16, 1944
11:30 a.m.

DeGAULLE INCIDENT

Present: Mr. D.W. Bell
Mr. Sullivan
Mr. Glasser

H.M.JR: All right, now on the McCloy matter--

MR. BELL: This is the French?

H.M.JR: Yes, I just thought I would call up Jack and ask him if there was anything that he wanted to say to me, how we stand.

MR. BELL: We haven't heard anything since the Monday press conference except what has been in the paper. We understand that the officers that went over there - I don't know whether I told you that they had an understanding with DeGaulle that he would send five hundred officers and when they got ready to go, he refused to send any. After some talking with him, he did agree to send twenty.

H.M.JR: What were they to do, fight?

MR. GLASSER: To act as liaison officers with our Civil Affairs officers.

MR. BELL: He didn't send any at first, then he did send twenty. I understand that those twenty spent the first few days telling the French that this currency was no good, so it really was a hopeless mess for awhile. Whether it is any better now or not, I don't know.

H.M.JR: Where is all of McCloy's stuff I had?

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MR. BELL: I think you have memoranda on every conversation. Much of it took place in this office over the telephone and you have a memorandum record.

We fixed up possible questions and answers for the President to use and he got pretty well through his press conference and saw nobody was going to ask him anything about the DeGaulle matter, so he brought it up himself. He then proceeded to give the answers to these four questions that we had sent him.

H.M.JR: And did it very well.

MR. BELL: Did a good job.

MR. GLASSER: One of the difficulties, I thought, was there was so much material there that the papers garbled it when they printed it. It wasn't a few simple points, but really too much.

MR. BELL: The Times didn't have anything on it the next morning. The Herald Tribune had it and the Washington Post had a brief article.

MR. GLASSER: The British papers are much more interested.

MR. BELL: Charles Collingswood had quite a blast from there. I had that sent to you - I didn't know whether you had seen it or not - his broadcast?

H.M.JR: Yes.

(The Secretary holds a telephone conversation with Mr. McCloy, as follows:)

June 16, 1944
11:40 a.m.

HMJr: Henry talking.

John
McCloy: How are you?

HMJr: Fine.

M: We've been having quite a to-do here the last few days.

HMJr: Yes, it's -- Bell's here with me.

M: Yes.

HMJr: I wondered what was new.

M: Well, I'll try to bring you up to date. It's -- there's a good bit that's happened on the political side; not so much on the currency. The -- we've talked to London two or three times. Marshall sent a couple of cables in

HMJr: Yeah.

M: and was greatly concerned about the thing. Stimson, last night, talked to Marshall on the phone and he's had several conversations with the President.

HMJr: Who has?

M: Stimson.

HMJr: Oh, yeah.

M: The first place, we got these reports that the -- confirming what we had before of the very strong debate that's going on in London, and the heated debate that's going on in London as -- about this thing, and the activity of the Foreign Office, particularly Eden -- in connection with it. Eden has apparently thrown down a gauntlet to Churchill on the matter; hell-bent to get this provisional government recognized and taking it as a sort of a personal issue, and is quite -- is almost as petulant about it, from the stories we get, as -- as DeGaulle.

HMJr: I see.

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M: That -- they -- they're playing it up as if the currency were only an American scheme and that they weren't involved in it, and they were generally pressing, through press and also politically, to Churchill to take recognition stand even if it didn't -- if the Americans didn't come along. And Churchill's been opposing that.

HMJr: Yeah.

M: Then Marshall, on his telephone call, said that if the people knew what DeGaulle had been doing here in the way of hampering this invasion effort -- the actual military operations -- why, they'd -- if it ever leaked out, why, it would sweep the whole damn thing....

HMJr: Yeah.

M: him aside and Eden aside, and everybody else, but he says you can't do it, because it's so outrageous that it would send a too strong a reaction the other way in his judgment. Might give the isolationists something to talk about.

HMJr: Yeah.

M: But -- ah -- did hope that we would make it clear in statements that the thing was a joint affair, and that everything that could be done should be done to patch up this British-American rift, that London seems to be generating.

HMJr: British?

M: British-American

HMJr: I thought the President at his press conference handled it beautifully.

M: Well, yes, he did it all right, but we didn't get all the publicity on it we should have.

HMJr: Oh! But he - he certainly learned his lesson.

M: Yes, he was all right.

HMJr: Yeah.

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M: He was -- he was -- he got it -- we only could educate him about ten minutes before the thing, but he got it very quickly.

HMJr: I see.

M: Then, the currency -- well, Steve Early is putting out some more stuff -- in fact, he is mimeographing what the President said

HMJr: I see.

M: so that that gets around generally to the currency papers, so they know what that's all about. Then, we have, on the side, inspired a little stuff to bring this thing into a little more balance. Ernest Lindley's article this morning was the result, I think, of the talk I had with him.

HMJr: Yeah.

M: And that News' editorial, as well as the Washington Star. We put in it -- to rather point out that -- that after all that we may have different views on this provisional government business and recognition business, but some day you go too far and we wanted to communicate the general tenor of that back to London, with the idea that they'd moderate some of their -- their venom over there. We also got Halifax in, and told him what the story was and he was quite concerned about it, and he sent a personal telegram to Eden

HMJr: Good.

M: telling him, that this in my judgement is silly to -- to talk about this French political situation to the prejudice of the British-American relations and particularly to the military operation. And I think all of that will have a tendency, perhaps, to calm the thing down a bit, but we still have a solution to find.

HMJr: Yeah.

M: The Secretary called up the President last -- night before last, and had a very long -- over an hour's conversation with him on the telephone.

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HMJr: An hour on the phone?

M: Yes, on the phone.

HMJr: Good heavens!

M: Yeah. They -- where they explored the whole thing; Stimson taking the view that -- that we ought to go back now and pick up the formula that he had once disregarded -- discarded, rather.

HMJr: Who had? The President?

M: The President had. That is, the general -- the -- the formula which is -- that we authorized Eisenhower to deal with this committee as the authority responsible for civil administration in France, outside the combat zone.

HMJr: Yeah.

M: But the President -- that's the old formula that I worked out, that I got the British and the French to agree to.

HMJr: Yeah.

M: That's less than provisional recognition but it's further, apparently, than the President wants to go, and the President said, well, he didn't want to go that far, although he sort of flirted with the idea and then said he didn't want to compromise on a "moral principle", as he put it, and that was that he'd guaranteed this thing to the French people and he couldn't let this jackanape come in and seize the government.

HMJr: Yeah.

M: And he stuck to that.

HMJr: Wait a minute. What did he -- did he guarantee -- what to the French people?

M: He guaranteed to the French people that they would have an un -- right to an untrammelled election

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HMJr: I get it.

M: and that business.

HMJr: Plebiscite.

M: Plebiscite. That they wouldn't force -- that they would freely choose their own leader.

HMJr: Yep.

M: The President said to him, well, that's all very well, but you can't do that the way we could guarantee a free election to Nicaragua, by putting mercurochrone on each voter's hands so he wouldn't vote twice and with a marine at the ballot box.

HMJr: (Laughs)

M: That's what we did in Nicaragua. We gave them a free election, and they didn't like it very well.

HMJr: Yeah.

M: But what you can do, the Pres -- the Secretary said was -- what we'd previously suggested was to get a pledge from DeGaulle, as a condition to giving this authority to him, that he would go through all that business and then if he didn't do it, you'd have the moral pressure to exert against him, and you would also have the right to withdraw your recognition and you'd be -- you could crimp him with his supplies and anything else to bring him into -- you've lots of pressure you could bring to bear, but you couldn't actually go in and interfere with the -- with the French elections, and that you had to have an authority of some sort, and who the duce just was there. You couldn't lick this fellow, as he wants to do apparently, with -- who is somebody, with nobody.

HMJr: Yeah.

M: And then he said, "Well, you ought to talk to Bill Donovan, because Bill Donovan has some ideas of some other fellows you can get into the field".

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HMJr: I see.

M: Well, Bill didn't. When we talked to him, he didn't have anybody else in mind, but I think -- just try to find another fellow -- another Giraud, who would only accentuate the damn thing and get it in much more of a to-do. I think the thing to do is to trim this fellow down a little bit, and then deal with him.

HMJr: Well, as far as what you and I did in preparing this currency, I gather that nobody -- everybody's been perfectly satisfied.

M: Yes. There's been no criticism on that. In fact, the criticism has been the other way. The thing the President was -- was very good on it at his press conference. He didn't -- made it perfectly clear; the correspondents all accepted it. I haven't heard anything against it at all.

HMJr: I was fearful there at the early stages that they might make you and me the goats.

M: It don't -- doesn't seem to be the case at all.

HMJr: No.

M: And I think that by our threat of using the Gold Seal Dollars has had a big affect on quieting them over there.

HMJr: Oh, you -- you did. I didn't know that you'd threatened them.

M: Yes. We sent -- we got -- well, you know we prepared that telegram

HMJr: Oh, yes.

M: for the President to send.

HMJr: That's right.

M: Yeah, and that went over, and that, of course, got all over the place.

HMJr: Yeah.

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M: And that had some -- some good effects.

HMJr: Well

M: But now we must solve it, because you can't continue in this anomalous uncertain position. We've got to have some statement. I think we've either got to do -- we've either got to crack down on him and just say we're going to have a military government in there, and go ahead and do it our own way, or we've got to work out some sort of formula to deal with him.

HMJr: Well, this last announcement I saw in the paper -- where he'd appointed - DeGaulle had appointed somebody as

M: Chavigne. Yes.

HMJr: Is that

M: That's very -- that's very embarrassing.

HMJr: I mean, that's what I wanted to ask you.

M: Yes.

HMJr: That wasn't worked out with you?

M: Oh, no. Oh, no. No, that's very embarrassing. He just -- set it up on his own, and

HMJr: Well, of course, I don't know why they let DeGaulle set foot in France.

M: Well, that was the British, of course, who insisted on that.

HMJr: Oh, because that seemed to me a mistake.

M: Well, I thought it was a mistake, because it gave him a build-up, but they were afraid that if they turned him down, that he'd be more of a -- well, it would be more of a build-up and they -- he communicated with the President on it, and the President said, "All right, provided you make it clear that it's what you want to do. I wouldn't do it, but go ahead and do it". That is what he said.

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HMJr: Well, you might be interested. After our broadcast from Texarkana, I spoke to the President on the phone

M: Yes.

HMJr: to tell him how pleased I was on his broadcast, and then he brought up this DeGaulle question and all of that, and

M: Yes.

HMJr: sort of in a jocular frame, so I said, "Well, Mr. President, I'd like to make one suggestion", and I said, "I think it would be a great mistake to let DeGaulle come to the United States and give him the springboard of all these correspondents here".

M: Yes.

HMJr: And the President argued a little bit, and I said, "Well, I still think that you shouldn't do it".

M: Yes.

HMJr: So he said, "Well, I'll give it careful consideration".

M: Yes.

HMJr: I - I'm sure you agree with me.

M: Oh, my, yes! We think -- we don't -- unless you're going to give him what he wants to -- to get him over here and act in a high dither again. Here we've had an international instance by bringing him to London -- why do we give him another shot over here. He'll -- of course, he'll be acclaimed here, and there'll be all sorts of

HMJr: Sure. Would you pass that along to Stimson, though?

M: Oh, he's -- Stimson's already passed it on to the President.

HMJr: No, but what -- that I said that.

- 9 -

M: That you said -- yes, I'll tell him that.

HMJr: Yes, and that

M: That's - that's what he's told the President.

HMJr: Well, and that the President still seems to have in mind bringing him over here.

M: Yes, that's what I gathered from Stimson.

HMJr: So, I mean, I'd like Stimson to know that I said that, and that I - I think it's a great mistake.

M: Yeah.

HMJr: Well, as near as I can tell between you and Bell, that we've worked in complete unison.

M: Oh, completely. Completely.

HMJr: And I think that's fine. And is there anything that I can do at this stage?

M: I don't know of anything. We're running this little newspaper campaign, on a very minor basis of education. I don't know, maybe you might help something along there, but I don't know that we want to

HMJr: I'm af

M: make much of it.

HMJr: I'm afraid if we get in on it, we might do

M: What we're going to do, in substance, is simply in these military seances we have with the correspondents and keeping them abreast of the invasion, just throw in something about the DeGaulle business, so that it's on a military basis. And our -- on that basis, I think we're on safer ground than we are either on the financial or the political.

HMJr: Yeah. Well, okay. I'm here. Thanks so much.

M: All right.

- 10 -

HMJr: Good-bye.

M: Good-bye.

June 16, 1944
12:53 p.m.

Judge Fred
Vinson:

Hello, Henry.

HMJr:

How are you?

V:

All right, sir.

HMJr:

Everything in order?

V:

Yes. Things are moving along pretty well.

HMJr:

Good.

V:

I -- had you heard about the word in regard to the Minority member in the Senate?

HMJr:

No.

V:

Grace called me yesterday afternoon, and -- no, it wasn't Grace -- it wasn't Grace, it was Jimmy.

HMJr:

Oh, well, Jimmy called me last night and told me.

V:

Yeah, Jimmy called me.

HMJr:

Yeah, he called me

V:

Ah

HMJr:

.... last night.

V:

When the matter was transmitted there to Jimmy, Jimmy called me and I told him what had been done by you and what had been done by me.

HMJr:

Well, he backed us up.

V:

Yeah, he backed us up, and then, did you call the Senator?

HMJr:

I?

V:

Yeah.

HMJr:

No, I didn't do anything until I talked to you.

- 2 -

V: Well, I -- Jimmy said that it was clear, and I didn't call him, because I thought it would probably come with a little better grace to the Senator from you.

HMJr: No, I hadn't done anything until I checked with you.

V: And I meant to call you this morning, but I've been on the Hill, and got back here, and an old friend of mine from South Dakota who's on -- heading the Delegation at the Chicago Convention was in and I didn't get to call you.

HMJr: Well, I'll call Tobey now, and if I don't -- if it's all right, I won't call you back.

V: All right. That's fine.

HMJr: Now, has anybody spoken to Crowley?

V: Yes, Crowley was at the meeting

HMJr: Oh!

V: here day before yesterday.

HMJr: I see.

V: Harry contacted him

HMJr: Good.

V: and he was over.

HMJr: Good.

V: We had a very interesting meeting.

HMJr: Good.

V: Harry went to town on the purposes and objectives, and we had a very nice discussion as to the -- general way as to how the meeting would -- the Conference would be constituted and how it would operate and some of the problems. And Miss Newcomer was here, and Spence and Wolcott and a representative of Senator Wagner. Then Dean -- Dean Acheson, he made a statement too and then we got some information and had a very -- very good meeting.

- 3 -

HMJr: Fine. Well, I appreciate all you've done, and I will call Tobey, and if I have any trouble, I'll call you back.

V: I got this word from Harry.

HMJr: Yeah.

V: He probably transmitted it to you in regard to Crowley; Crowley wasn't certain that he was going to be able to be up there.

HMJr: No. I didn't -- Harry -- I -- Harry didn't tell me that.

V: Well, I -- it was after the meeting here, and Marriner Eccles was here, and there was some discussion about it, and Marriner was talking about having a substitute for him -- for himself

HMJr: Yeah.

V: and Harry and I both thought that he ought to be there, and I don't know just what -- I didn't get to talk to Crowley about it; in fact, I didn't know about it in that position.

HMJr: I see.

V: You heard about the note from the Secretary of State?

HMJr: You mean that the President -- I - I just know that such a note went about Jesse.

V: Yep.

HMJr: That there was already

V: I meant -- I meant him.

HMJr: About Jesse?

V: Yep.

HMJr: There were already too many.

V: Yeah.

HMJr: Well, you had a good hunch on that.

- 4 -

V: I still believe in it.

HMJr: Well

V: (Laughs)

HMJr: suits me. Suits me. I -- you know what I told you. I -- that if the President felt that way, he ought to go much further.

V: Yep.

HMJr: Because if -- if people close to the President, members of his official family, feel that they can fight him, politically, and not be censored for it, there's no limit to what they'll go.

V: That's exactly right, and that's a very serious situation down there.

HMJr: If, on the other hand, they feel that they -- if they do such a thing, they're going to be

V: Commended.

HMJr: Yeah, or punished -- they'll think twice.

V: Yeah, but I imagine that fellow's rather uncomfortable, because he either has the power to do it

HMJr: Or stop it

V: and if he has got it, he can't do it, and if he hasn't, why, it might not -- it might be that he ought to masquerade as having power.

HMJr: That's right.

V: And, you know, my ticket is the heartbeat. I can -- we'll all have mistakes of judgment and this and that and the other, but by God, if a fellow's heart's beating right, you can overlook that.

HMJr: You bet your life.

V: That's my religion.

HMJr: Well, that -- goes with me. Thank you so much.

- 5 -

V: Well, I'm mighty glad you're back.

HMJr: Yeah. Thank you.

V: And I'm sorry I didn't get a chance to call you, but the Otis clan was having -- they were having their unveiling up there

HMJr: Well, that's all right.

V: And they had a lot of long speeches

HMJr: No time lost.

V: and I saw a lot of the fellows and got a lot of information after the thing was over that kept me a while.

HMJr: Thank you.

V: All right, Henry.

HMJr: Good-bye.

V: Good-bye.

June 16, 1944
2:18 p.m.

HMJr: Hello.

Operator: Oscar Cox.

HMJr: Hello.

Oscar Cox: Hello, Mr. Secretary.

HMJr: Oscar

C: Yes, sir.

HMJr: I tried to get Leo Crowley and they say he's in Detroit.

C: Yeah.

HMJr: Please make a note.

C: Yes, sir.

HMJr: I am writing a letter to Hull which I'm sending Crowley a copy -- protesting against giving the English the credit for selling lend-lease goods in Europe, you see?

C: Yeah.

HMJr: Now, I - I'm protesting it, and I'm protesting to the President, and I'm sending Crowley a copy.

C: Yeah.

HMJr: I hope you fellows will back me up.

C: Yeah, we will.

HMJr: You will?

C: Yes, sir.

HMJr: Well, I understood from my boys that Lend-lease was in favor of letting the English sell them -- lend-lease goods. They're not -- use them in Europe, you know, for - for feeding.

C: Well, I think, as I checked on it last, it was to be done on two conditions: one: that

- 2 -

C: (cont'd) we consent; and two: that all of the stuff had labels all over it indicating that it's U. S. lend-lease goods.

HMJr: No, but -- well, you get my memorandum

C: All right.

HMJr: and I - I understand that - that your organization's representative being with the State on this thing.

C: Yeah.

HMJr: But, anyway, I - I didn't want to do it, without Crowley -- letting Crowley know, personally, that I was doing this.

C: Well, I'll get word to him, that you did let him know.

HMJr: Have a look at it, because, Oscar, if it gets out that we let the English sell American lend-lease

C: Oh, I know.

HMJr: goods for cash, you people aren't as smart as I think you are.

C: I agree with you.

HMJr: Okay.

C: Thank you, sir.

HMJr: Good-bye.

C: Look, one other thing.

HMJr: Yeah.

C: I talked to Harry a little bit about Judge Rosenman and the Monetary thing

HMJr: Yeah.

C: and he asked me to talk to Vinson, and Vinson said it was okay with him.

HMJr: Yeah.

- 3 -

C: And I wondered if some time that

HMJr: It has gotten to me, and I haven't seen Harry.
I've only been back today.

C: Well, what I was going to suggest was, when
you got a chance, if it's all all right, I
thought you might want to call Sam personally.

HMJr: Okay.

C: Right.

HMJr: Thank you.

6/16/44 77

TO:

Mrs. Klotz

This is the letter
the Sec. asked for.

(Not knowing whether
the Sec. had talked with
Crowley. I have made
no reference in the letter
to a telephone conversation).

You have copies of the
letter to Hull.

D. J. C. in

FROM: MR. O'CONNELL

25

JUN 16 1944

Dear Mr. Crowley:

I am enclosing, for your information, a copy of a letter I have just sent the Secretary of State.

As you will see, it is my view that this Government is entitled to the proceeds of the sales of lend-lease or closely similar goods sold by the British Government in liberated areas during the military period.

I thought it well to express my view on this particular matter both to you and to Secretary of State Hull without waiting on the preparation of more detailed comment with respect to the suggested arrangement.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury

Honorable Leo T. Crowley
Administrator
Foreign Economics Administration
Washington, D. C.

JJ0:C:s 6-16-44

June 16, 1944

✓
79

D
Sent by S.S.Agt. Bauck to Capt. Graham,
map room, White House, for transmittal
to the President.

MEMORANDUM FOR THE PRESIDENT

The Treasury has been asked by State and the Foreign Economic Administration to comment upon the proposed basis of sale by this Government and the British Government of relief and rehabilitation supplies and of surplus army stocks in liberated areas.

I can not agree to the suggestion of State and the Foreign Economic Administration that this Government receive only a portion of the proceeds from the sale by the United Kingdom of supplies which the United Kingdom received from us under lend-lease. I believe we should receive all of the proceeds of sales of lend-lease stocks or closely similar goods by United Kingdom to the governments of liberated areas.

Also, I can not agree with the position of the United Kingdom in their Aide-Memoire of June 8, that any final settlement as regards supplies to the liberated areas during the military period must be equitable but be based upon a recognition of "relative financial strength" of the two countries. I believe that the adoption of such a principle would be contrary to the best interests of the United States and would be so regarded by Congress and the people.

I am today advising Secretary Hull and Mr. Crowley of my views.

(Sgd) H. MORGENTHAU JR.

(Secretary gave a copy to Admiral Leahy)

Copy to D. A. Bell 4/10/44

REM:ESD

81 ✓
The White House
WASHINGTON

16 June 1944

MEMORANDUM FOR:

The Secretary of the Treasury

The following message has been received from the President for transmittal to the Secretary of the Treasury:

"FROM THE PRESIDENT TO THE SECRETARY OF THE TREASURY.

"Reference your memorandum of today, please ask Crowley to hold up on agreement for sales until I get back."

Very respectfully,

Franklin H. Graham
FRANKLIN H. GRAHAM,
Captain, A.G.D.

*Told L. Currie
over phone of
President's message.
DWB
10:40 am
6-17-44-*

June 16, 1944
3:05 p.m.

HMJr: Hello.

Operator: Senator Tobey.

HMJr: Hello.

Operator: Go ahead.

HMJr: Hello.

Senator Chas. Tobey: Hello.

HMJr: Henry Morgenthau, Jr.

T: Hello to you.

HMJr: How are you, Senator?

T: Nicely. Glad to hear from you. How are you feeling these days?

HMJr: Very well, Senator.

T: Glad of that.

HMJr: Senator, you know we're going to have a Monetary Conference up at Bretton Woods.

T: Yes, I have

HMJr: And the President has authorized me to ask you to be an American delegate.

T: I'd be delighted.

HMJr: Well, that will be fine.

T: I appreciate that confidence on his part, and your calling me and I'll take great satisfaction in that particularly because I'm a New Hampshire man.

HMJr: Right.

T: I'm very grateful to you, Mr. Secretary.

HMJr: Well, Mr. White, who's the head of our monetary section here

- 2 -

T: I remember meeting him in the committee.

HMJr: will get in contact with you

T: Yes.

HMJr: and we will mail you various material that we have, because I'm sure you'd like to go over it.

T: Thank you for your kindness.

HMJr: Well, I'll be

T: to you.

HMJr: I'll be looking forward to seeing you, Senator.

T: Thank you, friend, and I hope we have a very happy time together. I think it's a great constructive idea.

HMJr: Well, that's fine.

T: I'm with you a hundred per cent.

HMJr: Wonderful !

T: Thank you, friend.

HMJr: Good-bye.

T: Good-bye.

June 16, 1944.
3:55 p.m.

SELECTION OF DELEGATES TO MONETARY CONFERENCE

Present: Mr. D.W. Bell
Mr. Glasser
Mrs. Klotz

H.M.JR: I talked to Senator Tobey. It was all milk and honey. He thanked me. He was for the program and would do all he could to help.

MR. BELL: Well, that is surprising!

MRS. KLOTZ: I said to Mr. Morgenthau when the conversation ended, "I know I am crazy now; I must be crazy!"

MR. BELL: Surprise!

MRS. KLOTZ: Well, you never heard anything like it. He was so delighted and so honored.

H.M.JR: He kept saying "Friend."

Harry called up Mrs. Klotz and gave me a lot of odds and ends which I can't do.

MRS. KLOTZ: All he wants you to do, really, is the Crowley thing, but the other things he would do.

H.M.JR: Yes, but everybody keeps calling me about the Rosenman matter.

MR. BELL: You have me a little confused. I don't know about the Crowley matter and the Rosenman matter.

- 2 -

H.M.JR: Well, put Rosenman on as the adviser.

MRS. KLOTZ: Crowley did come to some meeting they had here just before Harry left. That was not only a Congressional meeting.

MR. BELL: The Congressional meeting was over in Vinson's office.

(The Secretary holds a telephone conversation with Mr. Bernstein, Atlantic City, as follows:)

June 16, 1944
3:55 p.m.

HMJr: Hello.

Operator: Go ahead.

HMJr: Hello.

E. M. Bernstein: Good afternoon, Mr. Secretary.

HMJr: Good afternoon. Can you hear me?

B: Yes, sir. I can hear you perfectly.

HMJr: Well, now, I've found out through talking with Judge Vinson that nobody had talked to Senator Tobey, so I did, and he was all milk and honey; he's for the program, and is highly honored.

B: Well, that's very good.

HMJr: And will help us all he can; would like to have us send him some stuff and so forth and so on.

B: We'll mail it to him immediately, Mr. Secretary.

HMJr: Now, about these technicians. You know what White told Mrs. Klotz -- were you there?

B: Yes, sir.

HMJr: Well, these technicians, Williams and who else?

B: Williams, Knoke, and Ganson Purcell.

HMJr: As technicians, that's all right.

B: As technical advisors.

HMJr: Yeah. Now, but what have you done about Judge Rosenman?

B: We haven't done anything that I know of. It may be that Mr. White has done something.

HMJr: Well, God, I wish White would tell somebody what he does and doesn't do.

B: I regret I don't know what he's done about Rosenman, but I'll find out and we'll call you right back.

- 2 -

HMJr: Yeah. Now, about Crowley. I don't see how I can call up Crowley and say, "Look, Leo, you're going to be there yourself; if not, we don't want you".

B: Well, you don't have to say that to him, do you, Mr. Secretary? We can just make it clear that there are no alternates, and he comes or not, when he can.

HMJr: Well, who -- who did he say this to there was going to be an alternate?

B: I don't think he said there'd be an alternate. I think he merely said that he can't be at all the meetings, and Marriner Eccles is the one who's trying to base on that, the need for alternates, and therefore, an alternate for himself.

HMJr: Well, I'll call him up, and I'll explain it to him, and as soon as Harry comes in, have him call me, if I'm still here, please.

B: Yes, Mr. Secretary.

HMJr: Will you?

B: Yes, sir.

HMJr: Will you

B: I want you to know that Congressman Wolcott was very helpful too, at the meeting of the Delegation two or three days ago. Very helpful.

HMJr: He has been helpful?

B: Yes, sir.

HMJr: Good. Now, it's up to you fellows to get in touch with Senator Tobey.

B: Yes, sir.

HMJr: Now, wait a minute. (Pause)
Well, I understand you're doing two speeches. One a welcoming one, and one something else.

B: Yes, sir. They're in your -- they're in the office now. I mean, if you want them.

- 3 -

HMJr: Well, if by any chance, the President came up there, we'll give -- let him do the welcoming.

B: That's right.

HMJr: Okay?

B: Yes, sir.

HMJr: All right. Now, what are you fellows doing up there besides going in swimming?

B: Well, I don't think anybody's been in swimming yet, Mr. Secretary, but we have a lot of work done. We have every one of your nine technicians busier than he's ever been, and we're getting more help from the other departments than we've ever had before.

HMJr: Well, why don't you go in swimming?

B: Mainly because there was so much to be done. Sunday, though, Mr. Secretary

HMJr: You're on the air, and Harold Glasser is giving you the Bronx cheer.

B: Oh, he is?

HMJr: And Dan Bell is weeping.

B: I'm sorry.

HMJr: Mrs. Klotz is in sympathy with you. She feels

B: Well, it's very pleasant up here.

HMJr: All right. I'll put in a call for Leo.

B: Thank you, sir.

HMJr: And the minute Harry calls -- put it -- let him come in, will you?

B: All right, sir.

HMJr: Good-bye.

- 3 -

H.M.JR: I am going to put it on the basis that I am going to say he isn't to have any alternate.

MRS. KLOTZ: They told it to Eccles.

H.M.JR: But I will do it this way, I will simply say, "Leo, so we can keep the thing straight, we are telling Eccles that"--

MRS. KLOTZ: No, we have told everybody; everybody understands that there are no alternates. But Eccles was the one who told Harry that he talked to Leo Crowley and he understood that he is sending an alternate.

H.M.JR: I am going to put it the other way around, see?

MRS. KLOTZ: You are going to get somebody into trouble.

MR. BELL: Have we any alternates at all?

MRS. KLOTZ: No.

MR. BELL: What is the answer.

H.M.JR: I can use as an excuse this business of Lend-Lease and go on the other thing.

I had a talk with General Magruder who now does the briefing of the newspapermen. He used to be good. He was in China ahead of Stilwell. He was there for Lend-Lease in '41. His name was familiar to me. He knows Chiang Kai-shek and T.V. and all that. Now, here is the fellow - he is too busy doing what he is, but they never would think of having him come back and give the Treasury the benefit of what he has learned, because he can't do it under Army procedure.

MR. BELL: How long has he been back?

- 4 -

H.M.JR: He has been sick. He must have been back some time.

MR. BELL: He isn't familiar with what is going on now?

H.M.JR: He seems to know. I said, "We are taking a very strong position."

He said, "I know you are. Unfortunately, we didn't do that right from the beginning. We would be way ahead."

I will say this for the Army, twice a day he sees the newspapermen and briefs them on what is going on - twice a day.

MR. BELL: Really?

H.M.JR: Yes.

MR. GLASSER: Does he brief them on the foreign situation or on the whole world?

H.M.JR: The whole world, twice a day.

MR. BELL: He has to know, then, what is going on. That must have been a thrill yesterday on the B-29's. That was a little delayed, too, wasn't it?

H.M.JR: Very much? After all, Dan, they never left the country until the 15th of April.

MR. BELL: Yes, but we sort of had May 10 or May 12 as the date, didn't we?

H.M.JR: Not that I remember. I don't think it has been very much delayed.

MR. BELL: I thought about the middle of May we thought--

H.M.JR: Did I say that to you?

- 5 -

MR. BELL: No, Harry and I had a conversation.

H.M.JR: Harry has his own source which he won't tell me about. But the source I had - General Arnold has been about right. They left here the 15th of April and bombed it in two months. I think that is wonderful.

MR. BELL: They didn't think they got them over there as quickly as they thought they would. They didn't get as many as they planned at first. Gosh, no, that is wonderful.

MR. GLASSER: Two months is a short time to move planes and build up ground forces.

H.M.JR: And they had to fly in all their own supplies, bombs, gasoline.

MR. BELL: If they can just keep it going--

MR. GLASSER: Did they announce where they had bombed?

MR. BELL: The southern island. If they can just keep it up now, and keep them going--

H.M.JR: It only cost half as much as they said it would.

MR. BELL: The field?

H.M.JR: Yes. Now, have you seen this memorandum which Bob McConnell gave me? (Memorandum to the President on British-American sale agreement)

MR. BELL: On what?

H.M.JR: The one he gave me at one o'clock.

MR. GLASSER: I saw it.

H.M.JR: Did you initial it?

- 6 -

MR. GLASSER: No, I saw it afterwards.

MR. BELL: You mean the one you asked for at this morning's staff meeting? No, I didn't see it.

MR. GLASSER: My man Hoffman helped him on drawing that.

H.M.JR: Who helped?

MR. GLASSER: Hoffman.

(The Secretary holds a telephone conversation with Mr. McConnell, as follows:)

June 16, 1944
4:06 p.m.

HMJr: I sent that memorandum of yours on those two matters -- I've sent -- I've sent it by telegraph to the President. That was a very good memorandum.

Robert
McConnell: All right, sir. Thank you very much.

HMJr: And I had Admiral Leahy for lunch. He's completely in our corner, and will look for anything that comes through from Churchill, if anything comes through on this protesting, he will see that we're consulted.

M: All right. That's fine.

HMJr: And that, of course, is strictly for you.

M: Yeah.

HMJr: I mean, you mustn't -- all these things, I mean, the way I guard....

M: Oh, yes. Absolutely.

HMJr: my rear and flanks, is very secret.

M: Right. Right, sir.

HMJr: But he'll take care -- he's completely in our corner.

M: I -- I think we're right as rain, too. I don't see any other way out of it.

HMJr: Okay.

M: Thank you.

- 7 -

H.M.JR: Did I tell you that there is a cable over there which Churchill sent the President on this money business, in which he says, "Supposing that the Army should buy a cow from a French woman; is Morgenthau going to see that she really gets paid?" - mentioning me by name.

MR. BELL: Is that a reply to our cable?

H.M.JR: I think so. It is going to come over here.

MR. BELL: "Is Morgenthau going to see that she gets paid" - well, sure, in French currency.

H.M.JR: The advantage of having a man like Leahy for lunch - he says, "Why isn't it phoney money?" Do you see?

(The Secretary holds a telephone conversation with Mr. White, as follows:)

June 16, 1944
4:08 p.m.

HMJr: Hello.

Operator: Go ahead.

HMJr: Harry.

Harry White: Yeah. Good afternoon.

HMJr: What do you mean "yeah"? Is that the way you sound?

W: Doesn't that sound good?

HMJr: Not very good when you say "yeah".

W: (Laughs) I didn't say "yeah". That was the operator.

HMJr: (Laughs) Oh. Well, wait 'til you know what I told the operator. I've got a call in for Crowley -- doing your errands.

W: Yes.

HMJr: And I said if Crowley's call comes through, put White on ice.

W: That's -- on ice? Yeah, I'd like to be on ice right now. (Laughs)

HMJr: Well, now, did you get my message about Tobey?

W: I got your message about Tobey, and I was very surprised. I was glad to hear it.

HMJr: He's all -- he's all for us.

W: Good. Fine.

HMJr: Yeah.

W: I'll -- I'll -- you would like me to call him up directly?

HMJr: No, you don't have to bother. Just get him some material.

W: All right. We'll do that.

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HMJr: No, he's - he's fine. Now

W: All right. I think Vinson might call him up. I'll speak to Vinson or

HMJr: Well, it's not necessary.

W: It's not, huh? All right.

HMJr: Look, I'm calling you up about Rosenman.

W: Yes. Well, Vinson -- I don't understand. I -- he had some reluctance. I was going to speak to you about it. Whether it's because it's the White House or whether it's something personal. What we've done is, we've got a place for him on -- among the legal advisors. That is, we've got -- ah -- Luxford, and Cox and Ben Cohen -- each from different departments and Dreifelbis from the Federal Reserve Board and Stark, one of the Vice Presidents of the Federal Reserve Bank, and we've got Judge Rosenman's name to add if you give us the "okay".

HMJr: Well, I'll call him up, and Harold Glasser is sitting here, and Dan Bell and Mrs. Klotz, and Glasser will let you know. I -- I want to make the offer.

W: Yeah. Okay. It'll be -- I think it will be very good if you can get him on. And I got your message about Williams and Knoke

HMJr: Yeah.

W: but -- ah -- it was the understanding that I was to call Eccles, or you were to call him?

HMJr: No. Listen, fellow, I'm - I'm a working man. I haven't got time to play with Eccles.

W: Okay. I'll call him up.

HMJr: And, I've got a call in for Crowley to tell him that there are no alternates, and the reason I want to tell him "no alternates" -- in order -- on account of Eccles.

W: That's right. Eccles was very insistent on it, and if he has -- he said that if there were any

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W: (cont'd) alternates in it that he won't go and he'll send Szymczak and so and so on.

HMJr: Yeah, so I tell Crowley "no alternates" so that we can tell that to Eccles, is that it?

W: That's right. Yeah, that's the way to handle it.

HMJr: See?

W: And that Crowley will have to come up, even if it's only for a couple of days.

HMJr: I told the good people here that that was the Jesuit method, and none of them know what that is -- but evidently you do.

W: Yeah. Not letting the left hand know what the right hand is doing.

HMJr: Okay.

W: One further question.

HMJr: All right.

W: There's Ganson Purcell. Shall I call up and try to handle that?

HMJr: Well, he - he certainly doesn't go as an American delegate. That's out.

W: Yes.

HMJr: And Miss Tully agreed to that.

W: Good. Then he'll either go as an advisor or

HMJr: Or he doesn't go.

W: Doesn't go. Now, do you want me to try to handle that, or

HMJr: Unless Bell wants to do that. It would save you time. (Aside: what?)

W: Who? Bell?

HMJr: Yes.

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W: That would be fine.

HMJr: Wait a minute. Bell's laughing. He said he didn't get a chance. (Aside: He what? Have you been in on any of this? Done any of this?) All right. You better do it.

W: (Laughs) Okay. I'll do it.

HMJr: Right.

W: That -- those are the only three questions that are left. Okay. You're -- you're leaving today? You'll be back Monday or Tuesday?

HMJr: Be back about four o'clock Monday morning and will expect you at the airport to meet me.

W: Ah -- the Atlantic City airport?

HMJr: (Laughs) No. No. All right.

W: We're making excellent progress here.

HMJr: Good.

W: Yeah.

HMJr: Now, Glasser will let you know if I get Crowley and what I tell Rosenman.

W: All right. Now, have you talked at all to Vinson, or are you going to talk?

HMJr: I talked to him; told him that I was going to do the Tobey thing, and if it was all right, that I would not call him back.

W: I see. Then I -- then Vinson is up to date, and Dean Acheson knows about Tobey, or does he not? I'll tell his men here.

HMJr: No, I have not told him.

W: I'll tell Collado and he'll pass it on.

HMJr: All right, and -- anything else?

W: No, that's all, sir.

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HMJr: Well, take care of yourself.

W: Yes, sir.

HMJr: All right.

W: Thank you.

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MR. BELL: Is that John Williams?

H.M.JR: Yes, and Knoke.

MR. BELL: He is opposed?

MRS. KLOTZ: Yes, but they will put it up to him that if he can go along with our objectives and our principles, O.K. Otherwise, they may turn him down.

MR. GLASSER: Knoke won't turn it down, not for a chance like that.

MRS. KLOTZ: They are not so worried about Knoke as they are about Williams.

H.M.JR: I never realized how important these people are.

(The Secretary holds a telephone conversation with Judge Rosenman, as follows:)

June 16, 1944
4:14 p.m.

HMJr: Hello.

Operator: Judge Rosenman would like to call you back in about five minutes.

HMJr: Well, you tell him I'm leaving on an airplane, and it's -- and I'd like to get him now. Will you get that word to him?

Operator: I'll see if I can.

HMJr: I'm leaving right away, tell him.

Operator: Right.

4:15 p.m.

HMJr: Hello.

Judge Samuel Rosenman: The President told me why you went to Texarkana.

HMJr: Yeah -- yeah. Listen, that fellow should get his mind off of those things.

R: Well, by God, you should get -- I won't finish the sentence.

HMJr: (Laughs)

R: (Laughs)

HMJr: As a matter of fact, he hadn't -- the State line doesn't run through the hotel.

R: It doesn't?

HMJr: No.

R: He told me it did. As a matter of fact, he said that when I was -- when I lived in Texas, I used to always take my women up there -- at the age of nine.

HMJr: As I told him, he -- he knows an awful lot about us.

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R: Yeah. (Laughs)

HMJr: Running from one end of the hotel to the other. I don't know what he was running away from.

R: (Laughs)

HMJr: But, anyway, I wish he would get his mind off of it.

R: Oh, yeah. Well, it - it would help. (Laughs)

HMJr: (Laughs)

R: What's on your mind?

HMJr: Well, you remember you -- I don't know -- you were talking to me about -- kidding -- about going up to Bretton Woods

R: Yes.

HMJr: and I don't know how serious you are

R: I'm damn serious.

HMJr: Do you want to go as one of the legal advisors?

R: Sure. When does it start? On the twenty-ninth?

HMJr: Yeah.

R: Sure. I'd like to go. I'd have to get the Boss' "okay".

HMJr: Well, we'd love to have you.

R: Well, now, how can we do that?

HMJr: Well, I can do it the way I always do it. I- I -- every one of these I've put up to the Boss through Grace Tully.

R: Yes.

HMJr: And I'll do it that way.

R: All right

HMJr: Of course, unless

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R: That would be fine.

HMJr: Is that the way you'd like me to do it?

R: Yeah -- yeah. If -- do you think I could be helpful up there?

HMJr: I'm sure you can.

R: I mean anonymously. I don't want to make ...

HMJr: Oh, there's no anonymous stuff about this. You -- I mean, we've got to announce it and everything else.

R: Oh, I don't mean -- that's all right, but I mean if I can help in any -- you know, any -- going over statements or

HMJr: Oh, sure!

R: anything like that. That's what I mean.

HMJr: Sure. We're asking you for your brains and not for your looks. I -- who do you think you are? H. G. Wells?

R: I'm humiliated. Orson Welles.

HMJr: (Laughs) Huh.

R: (Laughs)

HMJr: Okay.

R: All right. Fine. Thanks. When -- how long are you going to be around town when you come back?

HMJr: I'll be -- get in here -- I'll be here just one day again.

R: Oh!

HMJr: make speeches.

R: When is that -- next

HMJr: I'll be back Wednesday night; then I'll be here for two or three days.

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R: All right, boy. Thanks very much.
HMJr: Thank you.
R: All right, Henry.
HMJr: Good-bye.
R: Good-bye.

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(The Secretary speaks to Miss Grace Tully over White House phone, as follows:)

H.M.JR: Hello.

Oh, I am alive.

Pardon?

No, I am going to leave here on the four-fifty-nine plane if another tire doesn't go flat. I hope to get up there about nine o'clock tonight.

So I hear.

Have you milked the cows?

Grace, I would like the President's approval to put Samuel Rosenman on the Legal Staff of the American Delegation for Bretton Woods.

Yes.

Will you let me know tomorrow in the country?

Now, while I have you - do you have a minute free?

You know, the first play that we did on War Bonds was the Anti-Nazi; the second one we did was against complacency in this country; and the third one I want to do in Chicago is against a premature peace, backing up the President on unconditional surrender. What I would like to say in this talk I am going to give is to point out the danger of the German General Staff realizing that, possibly, and wanting to make peace while the German army is still intact, and make peace on French ground and Italian ground, rather than on German ground. I would like to build my broadcast around that, pointing out that the American people should be forewarned against an attractive offer where they might throw us Hitler and all the Nazis and all the rest, in exchange for keeping

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the German army intact. I am confident it is all right with him, but I want to check it, and if you could give me the answer on that--

You get the idea?

Thank you. Good bye.

(End of conversation)

MEMORANDUM FOR THE SECRETARY.

June 16, 1944.

Mail Report

The report on mail for the past week is practically a report on bond mail. Other topics appeared very seldom, and letters were negligible so far as any quotable material was concerned.

Responses to the form letter of May 27, and a later telegram asking cooperation, dwindled in number but were as strongly cooperative as those of preceding weeks. The total of such replies through the first mail of Friday morning was 196. Bonds sent for redemption also went down in number, totalling 62. Fifteen of these came from Puerto Rico, and a number from buyers with Spanish names. There were 4 complaints on overdue interest on bonds, 2 complaints from War Department employees, and 1 from a Navy source, and the usual flock of suggestions for slogans and publicity, requests for airplanes, veterans, and other promotional assistance.

The radio program of June 12 inspired fewer letters than preceding broadcasts of this type have brought in. The ratio was 8 favorable to 7 unfavorable. All these comments have been copied in full and constitute the first pages attached.

On the tax front, the question of refunds for overpayments continues active, and is apparently extremely irritating for those who have been waiting for their money. The number of requests, however, was sharply down, and so were other complaints in connection with tax matters.

There were the usual scattered complaints about delays in cashing bonds, or red tape connected with

I would like to receive all comments on any radio program am on. Wm. J. - Phoned Mr. Farnish.

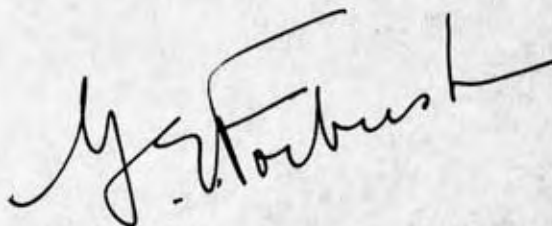
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Memorandum for the Secretary.

June 16, 1944.

turning them in, bank charges on checks, etc. There were only 3 mentions of the forthcoming monetary conference, and 4 requests that small bonds be made available outside the services.

A scattered campaign in favor of technocracy brought in identical letters from a number of writers.

A handwritten signature in cursive script, appearing to read "J. S. Forbush". The signature is written in dark ink and is positioned in the lower right quadrant of the page.

Favorable Comments on Radio Program
of June 12, 1944.

S. E. Crowell, Akron, Ohio. Your Bond Drive program on Monday evening, from 10 p.m. on, was superlative, magnificent! Could I have a copy of the script for use in my pulpit work? I'd be glad to pay for it.

Mrs. E. R. Engel, Brooklyn, New York. My husband, Emanuel R. Engel, incidentally a colleague of yours in the class of Cornell 1913, is a teacher at the Franklyn K. Lane High School in Brooklyn. After we both listened to the radio program last night, my husband was prompted to stimulate the sale of bonds, and infuse enthusiasm in these young citizens by making the following offer: To help these youngsters satisfy a constant craving of witnessing the Brooklyn Dodgers, in a ball game, he promised to the first forty students who could show him four bonds, his own personal application and check for a fifth bond to consummate the qualification for a free ticket to the game. These forty applications on his part must total a minimum of \$1,000, and he is happy to forego a ten-week vacation as a teacher to help this grand cause. * * *

Postal card signed "Bond Buyer". Postmarked Chicago, Illinois. Enjoyed the radio program very much and hope Fifth Loan will go over the top. Yours for Roosevelt's victory in the U. S. and over our enemies!

Miss Hermyne Marcus, Bronx, New York City. I realize that you are extremely busy, and that I am but a mere school child. But I heard part of the program tonight. I turned the radio on in the middle of that inspiring

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talk - I think by Walter Houston. I didn't hear the beginning, and wish you would send me a copy of it. Thank you loads.

Edgar Bissantz, San Francisco, California. I have just heard the War Bond broadcast of the Treasury Department in which Mr. Orson Welles gave a most moving monologue, "Just Call Me Joe, I'm Lots of People". If possible, I should like to obtain a copy of the text and shall appreciate your having one sent to me. May I suggest that this monologue be issued in printed form, illustrated by well-selected documentary photographs? I believe this would make a very effective booklet.

Mr. and Mrs. C. C. Ryrrell, Highland Park, New Jersey. (Postal Card) Have just been listening to Orson Welles' program which opened the Fifth War Bond Drive. It was wonderfully done. It contrasts so vividly the enemies' ideals and the ones we are fighting for. We approve and buy bonds too.

Pincus Sachs, Newark, New Jersey. After listening to your broadcasting and our Dear Mr. President, and others, I have finally decided to send you the enclosed poems. * * * I certainly enjoyed the great performance, and must say that we in our beloved country should hear constantly such performances in order to do away with prejudice, which was the cause of the downfall of Europe. * * *

Mrs. Vernon A. Nichols, Dunkirk, New York. Your last radio program was most inspiring and I am writing this letter in hopes you may read it -- who knows, maybe you will. I am a Gold Star Mother with two more sons somewhere unknown. We have bought bonds every week and held them, which I consider most important. * * *

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Unfavorable Comments on Radio Program

of June 12, 1944.

Anonymous -- Postmarked San Antonio, Texas. * * *
You don't have to spend all the taxpayers' money to pay Orson Welles to put on a silly show in order to get us to buy bonds. I'll tell you what would encourage us to buy more bonds -- well, you in Washington, D. C. quit throwing our money away as soon as we pay it into your hands. * * * Anyway, you are not welcome in Texas. So go on home. Don't think that silly old play will make us buy any more bonds. We know it will take a lot of our money to pay Orson Welles. You could use that money to a lot better advantage -- say, to stop some of the strikes that continue.

H. Gordon Rogers, Newark, New Jersey. Just a note to let you know that Mr. Orson Welles' show tonight was a rotten beginning for your Bond Drive. Next time for heavens sake give the job to someone who has some sense. Of course I am buying bonds, but not because of any of the trash I heard from Orson tonight.

Mrs. Katherine W. Haskins, Menands, New York. I am writing this note to you because I feel that you should be told the consensus of opinion, in our village, of last night's program. I, myself, listened all the way through because I never miss hearing the President. That is definitely the only reason I listened. I went to Red Cross this afternoon and almost every lady there said she turned it off. My daughter just came home from the office and told me the girls in her department all did the same thing. We are all of the opinion that Bing Crosby and Bob Hope would have helped you put over your job, and it would have been "tops" with everyone. They have more of what it takes to touch the people

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than anyone we know. No one likes Orson Welles and definitely no one likes his style of writing. It is loud, coarse, and over the heads of the majority. I grant you he must have worked long and hard at it, but it just didn't go over. I am a seller as well as a buyer of bonds, a widow with two boys in the service. I feel I am justified in writing this for the "good of the cause".

"E. K.", Bridgeport, Connecticut. (Postal Card) No, this is not the peoples' war. It is F.D.R.'s war here, England's in Europe, and hence should not be any of our concern -- as will come to the fore eventually. No one knows this better than you.

Anonymous -- Postmarked Baltimore, Maryland. Listening to your talk over the air the other evening, I heard you call Mr. Roosevelt "Our Commander-in-Chief". Where do you New Dealers get that stuff? We civilians, Americans first, last and always, recognize him as our first servant only. Well, the enclosed clipping will tell you what all true Americans think of the New Deal policies. You had better get back to the Jefferson Democratic Party. From one who would vote for a Chinaman rather than a New Dealer for President.

Mrs. David N. Rust, Leesburg, Virginia. As a patriotic citizen of these United States I feel I must make a protest of the Treasury Department of our nation putting on such a program on the air as the one of June 12 to open the Fifth War Loan. If it is necessary for the Treasury to have a program the eternal fitness of things demands that it be elevating and on a high plane, and not descend to the bally-hoo of the present day. As we are sending our boys overseas to die that the American way of life may be preserved, let us keep faith with them and make the American way of life worth preserving.

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Donald J. McNelis, Camden, New Jersey. For two years past, and as long as I am able, I shall continue to buy two war bonds every month, but may I say -- I am surprised to have heard you being connected with such a Bum Program as the opening of the Fifth War Loan Drive by Orson Welles.

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General Comments

Congressman Edwin A. Hall, (New York), transmits the following letter he has received from Mrs. Margaret M. Byrne, Norwich, New York.: "Please use your influence to see that 'boondoggling' with our currency is stopped. Why is not Mr. Morgenthau required to explain and justify his action in sending gold, the nation's gold, out of the country continuously? Does Congress approve of the printing of greenbacks while our gold is being depleted? Please help to keep our American finances safe."

Letter addressed to the President by C. L. Allen, Beckley, West Virginia, and referred to the Treasury for handling. I write you on behalf of myself and probably one-half million others who have been living on small trust funds. We have seen the rate of interest on Government Bonds reduced from 4% and 5% to a little over 2% within the past few years. We are well aware of the necessity for the Government to borrow its funds at a low rate of interest, but we do not think that we should have our small incomes cut more than half. When the increased cost of living is added to this figure, I think that this section of the White Collar Army has been hit too hard. As an act of common justice, some effort should be made to correct this situation, that in many cases has brought hardship and tragedy to many elderly people who find it too late to start life over again. The guarantee of bank deposits could be extended by Mr. Crowley to trust funds and with this insurance, banks and trust companies could be allowed to broaden their investments of trust funds to good domestic securities, with a higher rate of return than Government Bonds. * * *

John H. McNerney, Toledo, Ohio. I was told recently that our Lend-Lease credits against other countries were being carried only as book entries, but that other countries', particularly England's, Lend-Lease credits

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to us were being paid for currently by earmarked gold. Can you inform me if this is true? If so, what is the reason we are settling in gold with England instead of crediting these amounts against what England owes us? * * * I would be particularly interested to know how much gold has been earmarked for each of our Allies against Lend-Lease, and how much earmarked gold is held for each of our Allies as a result of other operations than Lend-Lease.

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Favorable Comments on Bonds

Sandy Berman, Brooklyn, New York. Whenever there is a Drive to sell War Bonds, free tickets are given to people that buy bonds to see different sport events or shows. All the time I buy bonds whenever I have saved enough money. I do like to see these games, especially baseball, but I can never buy more than a \$25 bond, and I never get good seats. Why don't they have special days for people who buy \$25 bonds so they have a chance of getting a fairly good seat? Everybody should buy bonds without expecting free tickets, but as long as tickets are being given away, everybody should have the same chance of getting a good seat. I am selling bonds and also buying one, and I hope everybody is doing their share.

Department of Public Relations, Eastern Air Lines, New York City. For the purpose of expressing appreciation to "our boys who are now engaged in the gigantic task of restoring liberty throughout the world, and maintaining our own liberty in America, by doing our part to insure a successful opening of the nationwide Fifth War Loan Drive, an 'Eastern Air Lines Invasion Bond Purchase Fund' has been created in the amount of \$7,000,000", according to an announcement today by Captain Eddie Rickenbacker, President and General Manager of the company. * * *

G. B. Grabill, Michigan Wheel Company, Grand Rapids, Michigan. (Telegram) We wish to advise your Department today that we have exceeded our quota of \$14,000 for the Fifth War Loan Drive by a figure of \$15,000, with more purchases possibly to come between now and July.

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Betram R. B. Aitken, Mayor, Bridgeton, New Jersey. (Telegram) The city of Bridgeton, Cumberland County, New Jersey, has oversubscribed its quota today at noon (June 10) of \$1,650,000 sale of Fifth War Loan Bonds prior to the opening of the Drive, which commences on Monday, June 12th. This news is being released to the press today and I take pleasure in announcing this to you.

Edward J. Hoff, Cincinnati, Ohio. Recently it became necessary for Mrs. Hoff to convert some of her Victory Bonds. Cash was needed for an emergency, and the need was genuine. * * * I want to tell you how greatly relieved we are by reading the printed form, bearing your name, that came to us with the check. All too often such communications bear the marks of austere officialdom. Rarely are they couched in terms of warm, understandable, sympathetic English. Too frequently the sincerity of such messages is lost in the loftiness of their presentation. Of course we have definitely planned to continue buying Savings Bonds -- but if we hadn't planned it, your message certainly would convert us to the idea. * * *

James Maloney, President, Glass Bottle Blowers Association of the United States and Canada, Philadelphia, Pennsylvania. (Telegram) Replying to your fine telegram, I assure you, Sir, it will be both a privilege and an honor to meet with your request. While we are a small Labor Union, our national office is investing fifty thousand dollars in the Fifth War Loan Drive. This will total over four hundred thousand dollars worth of U. S. Bonds we now have in our portfolio, and constitutes the majority of our total assets. I shall be very happy to place your patriotic telegram before our entire membership of approximately twenty-five thousand. * * *

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Rabbi O. Fleishaker, Portsmouth, N.H. It is a Jewish custom to save up a little bit of one's produce for 49 days and on the 50th day, to bring the offering to the Temple. This custom was practiced many years ago when the magnificent Temple of Israel existed in Jerusalem. This year three of my children came to me on the 50th day, each with an offering of 49 pennies taken from their allowance and asked me to send it to the National Treasury. This is to help in the war effort. It is my privilege to send their small offering to you for a speedy and thorough victory.

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Unfavorable Comments on Bonds

James A. Alden, Manager, International Printing Ink, Kalamazoo, Michigan. * * * The attitude of our local War Ration Board, especially as regards the distribution of fuel oil, is the cause underlying a good many people's inability to buy War Bonds. Many of these people had to spend the money which could have gone for Bonds to spend the winter in Florida, or some warmer climate, because the local Fuel Panel Board is so unreasonable about giving oil rations on legitimate claims. Anthony J. Stamm, Administrator, has a lady in charge who is inclined to be very hasty and very strict in her decisions, with no regard for the circumstances surrounding any petition for additional oil. My wife and I both spent quite some time in the hospital last year, and when I asked for additional oil, I was absolutely refused. Finally, after securing a letter from my doctor, they gave us an additional 85 gallons, when we had asked for 150. * * * Battle Creek, Michigan, 26 miles from here, has no trouble with the rationing of either its fuel oil or its gasoline, and I think it must be the people who are at the head of the local office. As long as this condition exists in Kalamazoo and people are so incensed at the idea of being treated unfairly, the sale of War Bonds will suffer in this community, and I think something should be done about the situation. * * *

W. M. Rieck, Detroit, Mich. I am one of the "Gallant Sixty" selling War Bonds in this city, and, personally, am buying 10% of my salary worth of bonds, and an additional bond during each War Bond Drive, all of which I think is a patriotic duty. However, I have a son in the service who has been overseas for about two years now, giving the best years of his life, and perhaps his life, and being paid about \$75.00 a month by our Government. In July 1942, just before he went

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overseas, he subscribed for a \$50 Bond each month, up to and including January 1943, and he directed that these bonds be sent to me. I have received all of these bonds except the one he paid for in December of 1942, and I have been trying for about a year now to get delivery of that bond, without success, and I am getting to the point where I am beginning to think my Government isn't at all concerned about the matter, as any responses I have had from the War Bond Division in Chicago are merely forms and not direct answers. I am writing directly to you at this time, hoping that you can have something done about the matter. * * *

Gene Harrison, Foley, Alabama. It may become necessary for me to cash in part or all of my bonds. Will you please tell me the proper procedure? Are they sent to you direct, or are they supposed to be redeemed at the local Post Office? * * * With the income taxes as they are, a very great problem arises for some of us. * * * The Government is getting so much of my money for taxes that there is not enough left to do the things needed for myself. Another matter whereby the Government makes it impossible for some of us to meet the rising cost of living, without great difficulty, is the matter of rent control. My only income this summer is rent from a small cottage. The rent was too low and should have been raised before the present tenants moved in, but the Control Board will not let me raise the rent. * * * I do not feel that under all of these circumstances, which are of Government making, that I should be expected to furnish money for bonds, especially since there are so many things I need myself. * * * Please tell me what to do in order to regain my hard-earned money, at least enough of it to make up for the amount I sent for income tax this month, and to pay the installment in September, which will come due before I have another salary check.

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Charles Goldfuss, Defiance, Ohio. (Written on slip sent with check for redeemed bonds.) The message on the reverse side hereof is a very good thought. However, if you would refund to me the amount of income tax which was withheld from me, in excess of what my actual tax was, I would not have had to cash in these War Bonds. A letter from you as to when I can expect my overcharge to be refunded would be very much appreciated.

M. C. Haase, San Diego, California. This morning, June 13, in a program called "James Abbe Observes", emanating from Seattle, Washington, and sponsored by Fisher Flour Mills, I was alarmed and astonished to hear Mr. Abbe say that the War Bonds would probably not be paid off and were a decided gamble. I have put everything I have in these bonds, and while I don't believe what he says, I wondered what it would do to the morale and buying support for the other Bond Drives. I don't like it and you won't. * * *

Isaac L. Rice, New York City. I do not know what can be done, if anything, to counteract the insidious talk which is being spread among others by anti-New Deal elements in our financial district which is undoubtedly having a bad effect on the current bond campaign. This statement is made due to the fact that after listening to the President's stirring broadcast which was delivered to commemorate the fall of Rome a Wall Street man made the remark that he regarded the talk merely as the opening gun in the Presidential race. He then went on to say that people would be foolish to take the coming Bond Drive seriously as he felt sure that a part of the funds so raised would eventually find their way into the Democratic Party campaign fund. This is loose talk which, if known, would give comfort to the enemy. The man who made these remarks is, however, I am sure, in other ways a loyal citizen whose vision has been warped by his hatred of our President. This line of

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reasoning which I fear is quite prevalent in Wall Street, must surely be combated as statements of men of wealth, social position and seeming sincerity must have a serious effect on the loyalty of others. * * *

Adjutant Gailon A. Hinds, The American Legion, Northampton, Massachusetts. At a regular meeting of Northampton Post #28, The American Legion held on Monday, June 12th, the following motion, made and seconded was unanimously passed: That Northampton Post #28, The American Legion condemn the action of the President and the trustees of Smith College in appointing a Japanese alien enemy to its faculty two days before the start of the Fifth War Loan Bond Drive. Furthermore, Northampton Post #28, The American Legion protests against any institution or organization employing or bringing alien enemies into Northampton for the duration of the War, and that copies of this motion be forwarded to the President and trustees of Smith College, the United States Treasury Department, and the press.

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Favorable Comments on Taxation

"An Honest American", New York State. As an employee of a local Olean Defense Plant, whose owner is on the Manpower Board for this County, I suggest that you change the 20% law so as to deduct at least 50% of all wages paid to employees in defense plants all over the U.S.A. Last year I received, (not earned), a little over \$3,700.00 at a local plant. Can honestly state that I loafed over half of the time paid for. Have worked many Sundays where they pay double time, and remember one Sunday in particular where I punched in at 7 a.m. and punched out at 2 a.m. the following morning, bringing me 39 hours' pay for 19 hours' loafing -- as much money as millions of men make for working all week in some local plants where they pay standard rates, especially the poor section men on the railroads, in tanneries, etc. * * * Before the war, this plant had about 175 employees, where now there are about 2,000 on the payrolls -- some increase in expense, but the question is, does the plant turn out ten times the amount of finished products that it did before the war, or is most of this additional expense just a way of robbing the U. S. taxpayers of their money. I suggest you pass a law where all men working in any defense plant pay at least 50% of their wages toward the cost of the war, and cut out all "cost-plus" accounts with any corporation that does war work, as Uncle Sam is being robbed daily by those men working on war contracts on a "cost-plus" basis.

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Unfavorable Comments on Taxation

Raymond E. North, Lincoln Park, Michigan. Letters addressed to the Detroit and Dearborn offices of the Collector of Internal Revenue, concerning 1941 additional income tax of Unabell M. North, and the interest charge applied thereon were as follows: (1) January 5, 1944, to the Detroit office, enclosing check for \$451.75 in payment of the additional tax. (2) February 17 to the Detroit Office, acknowledging the second notice in demand of income tax, and advising that check was forwarded on January 5. (3) To my bank stopping payment on check #3058. (4) April 15 to the Dearborn office, advising that payment had been stopped on the original check, and enclosing check #3888 for \$451.75. (5) June 7, to the Dearborn office, enclosing a check for \$11.19, covering the interest charge on this tax, and expressing my views concerning the manner in which this matter was handled by the Collector of Internal Revenue. I sincerely request that you examine this correspondence, which I feel is self-explanatory, and give me your honest opinion as to whether or not you think this taxpayer was given the consideration she is entitled to as a citizen of the United States. Personally, I do not think so. I can understand that this sort of thing could be expected to happen in some of the countries with whom we are at war, but not in a democracy such as ours. As indicated in my recent letter to Mr. Hollowell of the Dearborn office, it is the importance of the principle of this matter which concerns me, and not the amount of money involved. Therefore, I would sincerely appreciate your enlightening me as to why or how an incident such as this should be allowed to occur.

Hugo Sutor, Bronx, New York City. (Encloses three Tax Anticipation Notes - \$150.00) I still having trouble with these bonds. The bank refuses to handle them.

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Your income tax bureau at 149 Street refuses to accept them because change must be made in cash, and I can't get a day off to cash them, wherever the Federal Reserve Bank is. Your letter of 5/27/44 advises me what to do, but so far it does not mean much. For stuff that should be as good as gold, one would think it was worthless. Now I am trying you. I would like to get the cash for them. You will note they are long past due. By the way, please save the Government a lot of money by not having me investigated again. Surely better means can be found for our bond money. I have only tried to do my bit, and need no one to prowl after me. Thank you for your consideration.

JUN 16 1944

My dear Mr. Secretary:

This will acknowledge your communication dated June 6, 1944, relative to reserving 495 new passenger carrying automobiles for your Department.

As you know, the Treasury Department's Procurement Division has been offering such vehicles to Federal agencies as they are received from the military establishments. It is our desire to make an equitable distribution of all such equipment and I can assure you that your request for automobiles for use by the Interior Department will be given every consideration now and in the coming fiscal year.

Inasmuch as we do not know how many vehicles will be available for the civilian agencies of the Federal Government you can understand that it is not possible for us to guarantee that the desired number will be available for the Interior Department, but when the exact number of units is known I shall advise you as to the quantity reserved for your Department.

Sincerely yours,

(Signed) H. Morgenthau, Jr.
Secretary of the Treasury

Honorable Harold L. Ickes
Secretary of the Interior
Washington, D. C.



THE SECRETARY OF THE INTERIOR
WASHINGTON

JUN - 6 1944

My dear Mr. Secretary:

It is anticipated that the appropriations to the Department of the Interior for the fiscal year 1945 will provide funds for the purchase of approximately 495 passenger-carrying automobiles. I understand that a considerable number of new passenger cars have been declared surplus by the Army, the Navy, or other Federal agencies to the Procurement Division of your Department. I would like to have 495 of these cars reserved for purchase by this Department in addition to those that may be acquired from the Procurement Division prior to June 30, 1944, provided satisfactory arrangements can be made for the delivery of the new automobiles and for the exchange of such used cars as should be replaced as part payment for the new cars.

If the Procurement Division finds it feasible to reserve the automobiles for this Department, appropriate orders will be placed for the 495 cars as soon as possible after the 1945 appropriations become available. If there is any storage problem involved I think appropriate arrangements can be made between representatives of this Department and the Procurement Division.

Sincerely yours,

Harold L. Ickes

Secretary of the Interior.

Hon. Henry Morgenthau, Jr.,

Secretary of the Treasury.



ASSISTANT SECRETARY

TREASURY DEPARTMENT
Washington.

June 16, 1944

MEMORANDUM FOR SECRETARY MORGENTHAU

From: Assistant Secretary Sullivan

JLS

For your information, I am attaching hereto a copy of my memorandum to you of April 12. This embodies a report I received from the OPA. I am also attaching an exact copy of the stenographic notes of the report telephoned by Mr. Richard Field, General Counsel of OPA, to my secretary.

2 Attachs.

*Sullivan & Joe Deonell
speak to me at once
(M) L*

FOR DEFENSE

BUY
UNITED
STATES
SAVINGS
BONDS
AND STAMPS

C O P Y

April 12, 1944

MEMORANDUM FOR SECRETARY MORGENTHAU

From: Assistant Secretary Sullivan

Mr. Richard Field, General Counsel of the Office of Price Administration, has given me a report on Munsingwear and Mr. Olrich. He advised me that the OPA knows of nothing against Olrich personally which in any way could embarrass the Treasury if Olrich were to be given a responsible position in this Department.

He reported that the OPA believes there was a violation of a "couple of regulations" but added that the OPA now has the Vice President of Munsingwear, a Mr. Wilson, as a consultant. Field added that one of the regulations violated was a badly phrased, ambiguous regulation and OPA was convinced that the violation was unintentional. Mr. Field reported that the other violation was apparently an honest difference of opinion between Munsingwear and OPA as to the meaning of the regulation. Field could not assure me that no litigation would arise out of this violation but he did state that neither violation discredited the Munsingwear Company.

April 12, 1944

Copy of stenographic notes of the report on Ernest L. Olrich telephoned by Richard Field, General Counsel of OPA, to my secretary.

2:41 Richard Field - Mr. Sullivan wanted to know before 3:00 o'clock today about Munsingwear. Have been able to find out enough of the story to pass on. In general, if the question is whether there is anything against this man Olrich which might be embarrassing to the Treasury, if hired, there certainly is not. There is question here of violation on couple of regulations by the company but our best answer to any possible question of embarrassment to the Treasury is that we have and are happy to have as a consultant for OPA working with us at the moment, Wilson, the Vice President of the Company.

With respect to one of the violations of one of the regulations, I think we, ourselves, recognized that not only was the violation unintentional but also it was a regulation which didn't say what we really meant to have it say and when it was brought to our attention, we immediately set to work to change the regulation and presumably will not do anything about that violation. The other violation is apparently a difference of opinion between them and us and theirs is an honest one as to the meaning in effect of the regulation and whether we can thresh it out to our mutual satisfaction or whether there will be litigation on it, we cannot yet tell. There is no discredit to the company on either violation.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE JUN 16 1944

TO Secretary Morgenthau
FROM Mr. Haas
Subject: Comments on speech of Chester Bowles.

At your request we have read the speech given by Mr. Bowles at Des Moines on June 2, and have the following comments that may be of interest to you.

The speech was not directly on price control, but on the problems which farmers will face after the war, and on the measures which the Administration is taking to ease the farmers' post-war burdens. It was apparently aimed in part, however, at getting farm-state support for OPA legislation. To prevent a post-war collapse of prices, Mr. Bowles said, was one of the most important objectives of the Emergency Price Control Act. He recalled that farmers "took a beating after the Revolutionary War, after the War of 1812, after the Civil War, and after the last war," and mentioned the terrible toll of foreclosures and country-bank failures which followed the price collapse in 1920-21.

The steps taken to maintain a stable economy during the war represent an enormous contribution toward meeting the farmer's post-war problems, said Mr. Bowles. The Government's pledge to support prices of many crops at 90 percent of parity for two years after the war represents another step of far-reaching importance. But without industrial prosperity, and a high level of worker purchasing power, the farm price floor program "would be doomed to repeating the inglorious failure of the Farm Board in 1931."

Mr. Bowles pointed out that the present prosperity of farmers is due to the war, and only to the war; that today farmers are producing for the immense requirements of the armed forces and of lend-lease, plus the demand of more than 10 million city breadwinners who in 1939 were unemployed or working only part time.

The prosperity in the cities, he said, is the key to prosperity on the farm. This should dispose of the propaganda that there is a conflict of interest between labor and industry. Statistical charts show that factory wages and the cash income of farmers have moved very closely together over

- 2 -

the past 30 years. Farmers should therefore take an active interest in the development of national policies looking toward the maintenance of a high national income and prosperity for the nation as a whole. To concentrate on the raising of farm prices alone is a short-sighted policy which in the long run can never succeed.

The essential role of Government, as Mr. Bowles sees it, "is to underwrite the level of national income and of business activity. It must therefore be prepared at all times -- through public works, through adjustment of taxes and public expenditure, through stimulation of exports -- to step in at the first sign of recession." He believes that through the teamwork of industry, agriculture, labor and Government, the national income can be held up after the war.

He praised the ever-normal-granary plan, and believed that it should be extended and improved after the war. He also spoke strongly in favor of crop insurance, of the levelling out of seasonal fluctuations in farm prices, and of sympathetic public policies to aid the small farmer -- who could provide a source of increased consumer demand that would aid in raising the national income.

He spoke out against propaganda criticizing the use of American food to feed starving peoples of Europe after the war. That kind of talk, he said, can lose battles even if it doesn't lose us the war. He emphasized that there is probably no more important weapon than food to speed the day of victory and to lay the basis for a sound and lasting peace. The children of Europe, he said, are the Europeans of the future with whom our children will have to live.

Finally, he said that we must revise our traditional farm slogans and objectives, abandon the idea of restricting farm production to match the restriction of industrial output, and share in a forward-looking program of expanded production on farm and in factory alike.

FROM THE DESK OF
RICHARD V. GILBERT, ECONOMIC ADVISOR
AND DIRECTOR OF RESEARCH
OFFICE OF PRICE ADMINISTRATION

RE. 7500
EXT. 5202

133

June 2, 1944

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

Mr. Bowles thought you'd
be interested in having a copy
of this talk.

Richard V. Gilbert
Richard V. Gilbert

Address by CHESTER BOWLES, OPA Administrator, sponsored by the Des Moines Chamber of Commerce and the OPA District Agricultural Committee at the Ft. Des Moines Hotel, at 12:00 noon, Friday, June 2, 1944.

OFFICE OF PRICE ADMINISTRATION

58562

"AS OUR FARMERS FACE THE CHALLENGE OF PEACE"

As the prospects of victory grow brighter, people all over the country are thinking more and more of the conditions and problems which we will face after the war. Whether it be the dairyman in my own state of Connecticut, or the Texas cattleman, the Seattle shipyard worker, or the small businessman of New York City, they all ask the same questions. Will there be work and prosperity when the guns are silenced, when the soldiers return home? What do we need to do to maintain the same level of prosperity and peace as we have had during these tense years of war?

As Price Administrator I hear as much of this questioning as anyone and possibly from a wider variety of sources. For the simple reason that our economy runs on a system of prices, a man in my job has a unique opportunity to learn at first hand what men and women of every economic group -- whether on the farm or in the factory or in the home -- are thinking, what they are hoping for, what they fear, and what plans they are making for the future.

What I have to say today about the challenge of peace, has in considerable degree, been shaped by my experience in office. It represents, however, purely my own personal views. I offer them in full realization that they are only gropings toward an answer, not the final answer itself. This is too vast and strange a field for any man or any group accurately to call the turn.

No one asks these questions about the future with greater anxiety than the farmers and the businessmen like yourselves whose prosperity is so directly identified with the prosperity of our farms. This anxiety is easy to understand. In the past, the farmers have taken a beating at the end of every war.

They took a beating after the Revolutionary War, after the War of 1812, after the Civil War, and after the last war. The beating they took after the last war is still so fresh in all of our minds that there is little need to dig up the statistics about the crash of farm prices and farm income which took place in 1920 and 1921, or to retell the story of the terrible toll of foreclosures and country-bank failures which followed the collapse of farm prices. We know only too well that the post-war farm collapse in the early Twenties left its mark on our farmers for nearly a generation.

Of course, other groups have suffered during the post-war depressions. But their suffering has never proved quite as prolonged as that inflicted upon our farmers. It was for this reason that farsighted farm leaders and the leaders of public policy have sought from the outset of this war to direct the war program so as to minimize, as far as possible, the dangers our farmers will face when the war is finally won.

If you study the Congressional debates in the summer of 1941 prior to the passage

of the Emergency Price Control Act, you will see that one of the most important objectives of that legislation was to prevent post war collapse. To be sure, the immediate purposes of wartime stabilization are to avoid skyrocketing prices and rents which would impose cruel suffering on most of our people, to protect the value of our savings and our insurance, and to secure some semblance of equality of sacrifice for the war effort. But looking beyond the war, the stabilization program was designed to prevent the ruinous deflation or collapse of prices which has in the past inevitably followed every price inflation.

Because the farmer takes such a beating in periods of deflation -- since he produces raw materials and since he is never able to control his production as easily as the industrialist -- the Congress and the executive agencies of the Government have rightly felt that the steps taken to maintain a stable economy during the war represent an enormous contribution toward meeting the farmer's postwar problems.

In the Economic Stabilization Act of October 1942, our Government took a further step to help insure postwar farm prosperity. It pledged itself to support prices of many crops at 90 percent of parity for two years after the end of the war. This, it seems to me, was an act of great wisdom and far-reaching importance. But I think you will agree that these measures by themselves -- the wartime control of inflation and the commitment to hold up farm prices after the war -- are not enough to solve our postwar farm problems. They have made the solution possible, but the actual solution still remains to be achieved.

If we had allowed farm prices and industrial prices to go through the roof, our economic structure would be headed for catastrophe after the Armistice -- a catastrophe that would pull down our farmers, our industrial workers, and our businessmen alike into general ruin. If we had allowed prices to go through the roof, our postwar task would have been to pick up the maimed and the mangled parts of our economy and somehow to piece them together again. But having stabilized our economy, we can today lay the plans to maintain the prosperity of both industry and agriculture with real hope of success.

American farmers have, as a group, today attained an unprecedented level of prosperity. I do not mean that every farmer in every part of the country has achieved this prosperity. And I am acutely aware that our farmers during the 1920's and 1930's were indeed a forgotten element in our entire economy.

During the 1920's our industrial workers, for the most part, had fairly regular employment at reasonably good wages. Most of our businessmen were making good profits. But the prosperity that came to our farmers was meager at best, and millions of them still operated under hardship conditions.

During the crash of the early 1930's all groups of our economy suffered greatly. But just consider what happened to the farmer. In 1932, here in Iowa, you will remember how hogs sold at the heartbreaking price of \$2.40 and corn dropped to 12 cents. For the country as a whole the farm price of milk was \$1.11. Eggs sold at 10 cents a dozen. Cotton brought 10 cents when it was 15 cents a pound.

When the crisis was at its peak, certain moves were finally taken by the Government to rescue the farmer from complete disaster. These moves broke the back of the depression and started the farmers on the road to recovery. But the fact remains that in spite of all that was done, farm prices and farm incomes were still pitifully low in 1939. Let us not forget that in spite of everything that had been done, three-fourths of our farms in 1939 still lacked electricity. More than four-fifths still lacked running water. Adequate medical care was still lacking in many farm communities.

It was the war and only the war that brought the farmer real prosperity, the first real prosperity since the last war. Gross farm income today stands at an all-time high of almost twenty billion dollars a year. This represents an increase of 128 percent over 1939. Net farm income has risen even more sharply. In 1943, it totalled 12.8 billion dollars of 182 percent above 1939.

Now how has that prosperity been achieved? You will agree that we must know the answer to that question if we are to sustain real farm prosperity when the war is over. Part of the answer lies in the fact that farm prices have been brought back into balance with the prices of things that farmers buy. Part of the answer is that farm prices have been raised in relation to farm costs. But what was it that made those things possible?

The real answer lies in the almost unlimited demands of our Nation at war -- demands which are backed by purchasing power which is today at all-time record levels. Today farmers are producing for the immense requirements of the armed forces and of Lend-Lease. And they are producing for the demand of more than 10 million city breadwinners who were unemployed or worked part time in 1939, but who are working full time and overtime today -- and working for good wages. There, it seems to me, lies the heart of our story. It is the prosperity in our cities that is the key to prosperity on the farms.

This simple but solid fact should dispose once and for all the false propaganda which has sought to persuade our farmers that they have a conflict of interest with labor and industry. This propaganda of dividing the Nation into conflicting groups is not only bad patriotism -- it is bad economics as well. The American farmer should never forget that he can produce at a profit only if there are customers who can afford to pay prices that yield that profit. When farmers see our city workers make more money, they should rejoice because that means a greater demand for the products of their farms. Don't forget that 40 percent of the average city worker's ~~income~~ ^{budget} is spent for food alone, and a large additional slice is spent for clothing made from farm products.

The other day I had occasion to glance at a chart tracking the movement of factory wages and the cash income of farmers over the past thirty years. I noticed that the two curves hugged one another very closely. They went up together in periods of boom and they went down together when times were hard. That chart is the best testimonial I have seen to the absolute solidarity of economic interest between the farmer and the city worker.

During the past 20 or 30 years farmers have organized to promote national policies necessary for a prosperous and sound agriculture. This, we will agree, is a healthy and proper development. But it seems to me that it would be self-defeating for our farmers to interpret farm policies and farm programs in a narrow and shortsighted fashion. To concentrate on the raising of farm prices without doing anything to raise the national income of the entire country is, in my opinion, a short-sighted policy which in the long run can never succeed. It is only through a high national income -- the income that goes to all of us -- that farmers can be sure of the purchasing power -- the demand -- which is necessary to sustain farm prices and farm income.

The Government has, to be sure, pledged itself to maintain a floor under many farm prices after the war. But how long could the Government maintain such a floor if industry in the cities collapsed and tens of millions of men were walking the streets in search of non-existent jobs? In the absence of postwar industrial prosperity, the farm price floor program would be doomed to repeating the inglorious failure of the Farm Board in 1931.

We should also remember that the price floor guarantees on farm products, as written in the law, are expressed in parity terms -- that is to say, in ratios of farm prices to industrial prices. If industrial prices and wages drop, parity prices drop with them. If industrial prices drop far enough, parity prices for farm crops could be so low as to break the farmer's back -- even though they were at the 100 percent parity level.

The history of the past ten years, and particularly that of the last four years, bears out the folly of relying exclusively on price and parity objectives to secure farm prosperity. In August 1939 before the war broke out, the index of farm price parity stood only at 72 and farm income was quite depressed, notwithstanding all the Government programs directed to achieving price and income parity.

The explanation, it seems to me, is simple. As long as the national income as a whole was depressed, and as long as there were some ten odd millions of unemployed in the cities, there wasn't much money available to buy food or clothing made from farm products. And therefore all our efforts to increase farm prices were unavailing. The demand at the higher prices needed to give our farmers a proper income, just wasn't there.

On the other hand, once wartime demands restored prosperity in the cities, the parity ratio of all farm prices quickly rose and today stands at 14 percent above parity. It has been above parity now for nearly 2½ years. No lesson could be clearer than this. Bustling prosperity in the cities has not only brought farm prices into balance, but has yielded farmers the highest prosperity in our history.

In my judgment it simply isn't possible to over-emphasize the community of interest of farmers, workers, and businessmen. Many of our farmers, however, are reluctant to accept it because they fail to understand the economic stresses and strains with which our industrial workers are faced.

Two generations ago most of our workers still had a father or a brother on the farm. High wages had drawn them to the city -- often over the protest of their parents. When hard times came and factories closed they simply went home to the farm, and there found work to do, three square meals a day, and a sense of personal security and self-respect.

Today our industrial workers can't go back to the farm. In depression the farmer has a hard enough time of it on his own. He can't be expected to make a place for the unemployed. But the worker in the city, when he loses his job still has to meet the rent and find some means of paying his grocery and doctor bills. He must find some means of caring for his wife and children.

So it's not so hard to understand why the workers in the cities should demand and organize to get jobs and good wages and self-respect and security. Far from being frightened by the efforts of our city workers to find the economic answers to their own dilemma, our farmers should offer them their understanding and support. Wherever we live, wherever we work, we are the same people -- we have the same ambitions, the same needs, the same hopes. What is good in ourselves can't be bad in the other fellow. And what is bad in the other fellow can't be good in ourselves.

What I am really saying is that our farmers, in their own interest as well as in the interest of all the rest of us, should take an active part in the development of over-all national policies looking toward the maintenance of a high national income and prosperity for the Nation as a whole. I have strong views myself on what sort of policy is called for.

I believe that depressions can and should be eliminated. I believe that through teamwork of industry, agriculture, labor, and Government, the national income can be held up after the war. With ~~over~~ ten million soldiers and sailors back on the job, I believe it can be increased even above present levels, with markets for everything we can produce and with jobs for all who seek them.

As I see it, the essential role of Government in this team is to underwrite the level of the national income and of business activity. It must therefore be prepared at all times -- through public works, through adjustment of taxes and public expenditure, through stimulation of exports -- to step in at the first sign of recession. And I believe that the more firmly Government is committed to such a policy, the more effective the machinery it sets up to make good on its commitment, the less Government will actually have to do. For I am convinced that once business men and farmers can invest and consumers can spend without fear of periodic waves of bankruptcy, foreclosure, and unemployment, they can and will provide a market for everything we are able to produce.

But this is not the occasion to develop these particular views. All I am trying to say is that farmers should take an active, vigorous interest in the development of such national policies. For without them our economy is doomed to continued turmoil and instability; without them all of us, farmers as well as city workers and businessmen, are doomed to a continuation of the ridiculous situation in which we have lived in the past -- economic hardship and widespread unemployment in a land of unlimited resources and high productive capacity.

There is one other issue, closely affecting our farmers, which I would like to discuss briefly, namely the need for food exports to the liberated countries both during and immediately following the war. I can think of no more important weapon than food to speed the day of victory and to lay the basis for a sound and lasting peace. I am dismayed, literally dismayed, by some of the questions -- thoughtless at best -- about "why should we take any food out of mouths of our own children to feed starving Europe." Believe me that kind of talk can lose battles even if it doesn't lose us the war.

If the Italian people under Hitler's domination north of Rome are actually getting more food than the Italians behind our own lines, that fact is certain to increase the bitterness of the resistance which our troops must meet. In ~~providing~~ *providing* ~~food~~ *munitions*, we have not merely matched the enemy -- we have swamped and overwhelmed him. This policy has not only brought us smashing victories -- it has saved American soldiers lives, no one can say how many. What is sound policy for planes and guns is sound policy for food as well.

But the real test will come when the fighting is ended. The children of Europe -- and let's always remember that they are the Europeans of the future with whom our own children must live in peace or in war -- will need food from us until their own continent is brought back into production. There will be those then who will say, "We have done enough. Let Europe fend for itself." I ~~simply~~ *simply* hope that this counsel will not prevail. I hope America will prove true to her generous traditions.

Having brought liberation through war, let us not refuse the helping hand that will lift Europe to her feet, when the guns have ceased firings. This is counsel not of the heart alone, but also of the head. It makes moral sense. It makes political sense. And it makes economic sense as well.

I do not want to give you the idea that I regard the maintenance of a high national income as the complete answer to the problems of the farmer. While these problems cannot be solved unless the national income is sustained, there will remain the concrete, specific problems which affect agriculture as such.

Perhaps you will agree with me that most of these specific problems hinge on removing or minimizing the terrific risks which affect agricultural production. I don't have to tell you people here in Des Moines that farming is one of the most hazardous of all our economic activities. Although the farmer works harder than most other people, his long hours are no guarantee of reward. Accidents of unfavorable weather, variations of rainfall, can destroy the results of the hardest work and the most careful planning. Moreover, while the farmer frequently suffers from bad weather, he can suffer as much from unusually good weather. Bad weather destroys his crops, but unusually good weather may destroy his income by creating such a glut as to force prices down below the cost of production.

Of course, we can't control the weather. But we can control the economic results of the weather. We can carry over surpluses to times of scarcity, thereby helping both the producer on the farm and the consumer in the city. This is the principle of the ever-normal granary, which was worked out on an experimental basis in the late thirties, and which, I believe, should be extended and improved after the war.

The principle is as old as the Bible. It is the story of Joseph with his seven fat years and seven lean years. It is a pity that we had to wait so long before putting this piece of Biblical wisdom into operation for the protection of our farmers, and indeed for the protection of all of us. I realize that here in Iowa farmers get good crops practically every year, but other parts of the country are not so fortunate. And you can't have prosperity in Iowa if there is depression in Florida or Texas or California.

The ever-normal granary was designed to remove some of the risks of farmers as a group. But it obviously does not remove the risks as they affect the individual farmer. When crops are destroyed by drought or storm, the individual farmer can get no protection from the ever-normal granary. Protection to the individual farmer can be secured only through the insurance principle.

I deeply believe in crop insurance, just as I believe in insurance for business and for labor and for all of us. There are few things that have contributed more to our economic well-being and to our peace of mind and to the strength of our entire social fabric, than the insurance principle. Congress, a year ago, refused an appropriation which called for the application of the insurance principle to agriculture. I sincerely hope that this action will be reversed. It seems to me that the farmer is entitled to be protected through insurance against the risk of weather destroying his income, at least to the same extent that the industrial worker is already protected against accidents which destroy his ability to work or against unemployment which cuts off his wages.

Another risk factor which I believe needs to be removed in the immediate post-war period is that resulting from the seasonal character of farm production and farm marketing. During periods when many crops are harvested and thrown on the market, prices are depressed and consumption is abnormally stimulated. During off-season months, on the other hand, prices are high, supplies are scarce, and consumption is abnormally contracted.

It is the old fable of the grasshopper and the ant. The ant is wise enough to realize that the abundance of food in the summer months should not be recklessly consumed, but should be stored away for the bleak winter months. Strange as it may seem, we as a Nation have tended through our marketing habits, to imitate the grasshopper instead of going to the ant for wisdom. Obviously, it is to the advantage both of the farm producer and the city consumer to regularize our marketing of farm products and our consumption of seasonal crops.

The basis for such a policy has already been developed in the price support and purchasing programs instituted by the Department of Agriculture. But these programs, I believe, should be extended after the war and should take as their objective steadier farm prices and more even consumption of all farm products the whole year around. There is no reason why, with the range of crop seasons we have in this country, with rapid development of modern methods of preserving and storing food, and with governmentally supported food marketing arrangements, seasonal fluctuations in farm prices could not be largely ironed out. The farmer could then have the benefit of stable prices, while the consumer would be assured of adequate supplies of all kinds of food the whole year around.

Let me develop for a moment what I have said about the preserving and storing of foods. During the war vast technological progress has been made which awaits only the release of materials and facilities to blossom into a great new industry. I believe we will see in the near future quick freezing and storage equipment in every community, available to every farmer. This equipment will go a long way toward preventing the heartbreaking gluts that every farmer knows. It will also bring to the consumer in all seasons of the year foods almost as fresh as the day they came from the field. And just consider the jobs that will be created in making the equipment, constructing the plants, and maintaining and operating them.

I may say in this connection that to the extent that we decrease seasonal ^{price} fluctuations I believe we shall remove a considerable source of friction between the farmer and the middleman. It is when prices fluctuate sharply that the farmer feels he is being taken advantage of by the middleman. Actually, it is not the middleman who personally takes advantage of him, but the anarchy of current marketing arrangements.

In addition to insuring against the risks and ironing out the price and supply fluctuations which affect all farmers, we must, after the war, pay special attention to the risks and handicaps which affect the small farmers. The neglect of the small farmers -- the sharecroppers, the tenant farmers, and the poorly equipped small owner farmers -- is a shocking commentary on our past history. It is shocking because we all know that the family farms are the backbone of our democracy, just as they are of any democracy.

Some thoughtless and cynical people used to say that there was no use fighting for the cause of the family farm -- that there is an inevitable trend towards concentration of farm ownership and mass farm production. We know today that this is not so. With the present production trends away from staple crops and towards flexible diversified farming, there are no real obstacles to the survival and the prosperity of family farms. On the contrary, the basic agricultural trends seem to be favorable to their prosperity.

But in order to flourish, the family farm must be given the help of sympathetic public policies. Credit must be extended on terms adapted to farm needs. The family farm must have access to the latest scientific farm knowledge. It must have access to electric power, without which it is not possible to secure the advantages of modern technology. It must be given the protection of well planned marketing arrangements set up through farm group cooperation, assisted where necessary by the Government.

One of the most encouraging trends of the past ten or fifteen years has been the growth of cooperatives and the work they have done for the farmer. Equally encouraging have been the loan and grant programs of the Farm Security Administration and the tenant purchase program of the Bankhead Act. Through these measures we have made a good start in fighting the problem of farm poverty. But we have a great distance to go. How far we have to go is indicated by the fact that even today — in full war prosperity — the lowest third of our farmers have to subsist on a pitifully small income. The gross annual income of this lowest third, including Government payments and the value of their home-used produce, still averages only \$800.00 a year per farm. Even in this era of wartime prosperity, that's all the money they have to pay their farming costs and to meet the living expenses of their families.

Obviously, farm families living on this scale provide a slim market for cars, building materials, refrigerators, vacuum cleaners, or furniture. If their income is raised, as it must be, the added purchasing power would provide more employment in our cities as well as more business for the country merchants. This increased income would eventually be returned to the farms in the form of a higher and more sustained demand for farm products.

The end of the war is going to present us with both a challenge and an opportunity to take a long stride in strengthening the position of family farming. The challenge will come from those of our veterans who will want to build for themselves on the land. The opportunity will be provided by the huge public holdings of land acquired in connection with army camps, proving grounds, and for other wartime uses. It would be the best kind of statesmanship to see to it that this public land did not go to large holders but instead was reserved for veterans and offered to them on generous terms. With the loans which the pending G. I. Bill would authorize the veterans could purchase farm machinery and equipment and get off to a good start.

You will have noted, I am sure, that most of the points which I have brought forward in my discussion here today are not essentially new. All the specific farm programs I have mentioned have either been tried or are in the process of being tried. I have simply asked that they be prosecuted with more vigor and more faith.

The one additional point that I have attempted to emphasize is the vital need of an aggressive program immediately after the armistice to raise and maintain the overall national income—the income that goes to all of us. Let me repeat that without that high level of national income, there can be no real solution to our farmers' problem.

It seems to me that this has been the one factor missing in our pre-war plans to create increased security and incomes for our farmers. The contrast between our pre-war and wartime experience has shown that. In peacetime, when we used the specific farm remedies that I have described without the general tonic of a high national income, we succeeded only in removing the acute distress that prevailed in 1932. We did not by any means restore American agriculture to vigorous health. In wartime, on the other hand, when the demands of our war economy forced us to put all our manpower to work and to produce a high national income, then and then only did we achieve a high level of farm prosperity.

In a word, the war has shown that our farmers need more than a mere opportunity to share equitably in the national income, however low that income may be. They need an opportunity to get their fair share of the high national income which we can so easily produce when we are all working.

It is in the light of this lesson, I believe, that we must plan for post-war agriculture. We must revise our traditional farm slogans and objectives. We dare not go back to restricting farm production to match the restriction of industrial output. We must go forward to expanded production on farm and in factory alike. And above all we must remember that this job of creating national prosperity belongs to all of us, and that no one group can hope to succeed without the others.

After the war is over our task should be clear. All of us, farmers, city workers, and businessmen must stop fighting each other for a frugal share of national economic security. Together, side by side, we must work to create and to share the national wealth and prosperity which our farms and our factories are so fully capable of producing.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

Date
JUN 16 1944

TO Secretary Morgenthau

FROM Mr. O'Connell

S E C R E TFor Your Information

The three documents on SKF which you received from a special source and turned over to this Office for examination have been carefully examined by me and by those most familiar with the SKF picture. The documents contain little material that was not already known to us. In fact, several copies of the 27-page memorandum entitled "The Swedish Ball Bearing Business" were furnished to us by the author (Pajus of FEA) about the time the investigation was initiated. It consists of miscellaneous statements of facts taken from published figures and other information obtained from conversations with refugees in New York. The document entitled "Some Notes on SKF" consists of notations and paraphrases of material developed in our investigation of SKF in which the author participated as a representative of FEA. Similarly, the document entitled "Memorandum on SKF" contains material based on our investigation and an interim report made by the investigators.

Attached is a memorandum bringing you up to date on the most recent developments in the SKF negotiations.

Joseph J. O'Connell

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

JUN 16 1944

TO Secretary Morgenthau
FROM Mr. O'Connell

FOR YOUR INFORMATION

You will be interested to know that as a result of the negotiations and accompanying pressures, SKF Sweden has just agreed to reduce its exports of bearings and bearing parts to Germany, during the coming four months, by 70 percent of their present level. Attached hereto is a memorandum which was prepared in FEA summarizing for Mr. Crowley the cables received from Griffis in Sweden setting forth the terms of the agreement and informing Crowley that Griffis has been authorized to conclude the agreement by an exchange of notes with SKF Sweden.

The new agreement apparently tacitly condones, for the time being, exports to Germany of bearings and bearing machinery at a rate of 30 percent of the ceiling established by the War Trade Agreement which this Government and the British concluded with Sweden last fall, or at a rate of about 15 percent of the exports to Germany during 1943. Exports of ball and roller bearings to Germany will be 90 percent below the rate for 1943. It is stated that no new orders will be accepted in substitution for existing orders and that this will prevent the Germans from securing special types of critical bearings. In consideration, commitments have been made for payments up to about \$8,200,000 for the material which was to have been delivered to the enemy and to preempt an unused plant. The British have concurred in this arrangement and will share the costs "on an equitable basis, taking into account previous British preemption orders." The negotiators have agreed to keep this arrangement secret and to urge their governments to do likewise.

The negotiators have retained complete freedom of action to revert at any time to our demand for cessation of all bearing exports to the enemy and FEA states that this agreement should be regarded as merely an interim arrangement during the critical period of the next four months.

- 2 -

Both FEA and MEW agree to continue to press SKF toward the ultimate objective of complete cessation of shipments to the enemy. While it is clear that the agreement just concluded will make it difficult to use the threat of black-listing or of the cutting off of exports from the United Nations to Sweden, Lauchlin Currie of FEA has assured Schmidt that no commitment has been made which will interfere with the continuation of our investigation of SKF or with the taking of appropriate measures on the basis of our findings.

Although we are informed that the Alien Property Custodian is withdrawing from the picture, Foreign Funds Control feels that the information already obtained with respect to SKF follows the pattern uncovered in the American Bosch case and is continuing its investigation.

Joseph J. Connelley

SUMMARY OF BALL BEARING AGREEMENT WITH SKF

On June 8, Mr. Griffis cabled that he had substantially closed a deal with the SKF Company to reduce shipments of ball bearings to the enemy. The terms and effect of the agreement may be summed up briefly as follows:

1. Exports of bearings and bearing machinery to Axis Europe (Germany and satellites) will be reduced by 70 percent for the next four months, or until October 12, 1944. This amounts to an over-all top limit on SKF exports to enemy Europe at 30 percent of the existing ceiling as established in the War-Trade Agreement. As the present ceiling is more than 50 percent below exports for 1943, the new reductions will cut down exports to about 15 percent of last year's exports during the next four months. The reductions in the category of ball and roller bearings to Germany alone are about 80 percent below the present ceiling and 90 percent below the exports for 1943.
2. The SKF Company will not accept new orders from Germany or satellite countries in substitution for existing orders. This provision is particularly important, as it will prevent the Germans from securing the special types which they now need most urgently. The existing orders were placed as far back as May and October, 1943, when the Germans were planning for increased aircraft production which has subsequently been knocked out by the Allied bombing program.
3. The negotiators have reserved complete freedom of action, both with the SKF Company and the Swedish Government to revert to at any time our demands for complete cessation of all shipments to the enemy. This safeguard covers the provision under which SKF would be entitled to resume shipments after October 12 and make up deferred shipments.

- 2 -

4. In consideration of the conclusion of this agreement, the American and British negotiators have made commitments up to about \$6,000,000 to pay for bearings, parts and machinery which would have been delivered to the Axis, but which will not be so delivered under the terms of the agreement. In addition, the negotiators have agreed to place 10 million kroner (\$2,200,000) to preempt the unused plant of the company.
5. The negotiators have agreed to keep this arrangement secret and to urge their respective governments to do likewise, not only during the period of its operation, but also after its termination.

On the basis of the above agreement, Mr. Griffis has been authorized to conclude the arrangement by an exchange of notes with the SKF Company. It should be noted again that FEA and the American Government retain complete freedom of action to return to its original demand, either to the Swedish Government or to SKF at any time. The agreement, therefore, should be regarded as an interim arrangement which secures a substantial reduction in shipments to the enemy during the critical period of the next few months. The British Government concurs fully in the arrangement and will share the costs on an equitable basis, taking into account previous British preemption orders. Mr. Foot, on behalf of M.E.W., has also agreed to continue pressure toward our ultimate objective of complete cessation of shipments to the enemy.

Dear Eleanor:

Thank you for the material contained in the reports on SKF which you sent me on June 6, 1944. Although this information was already in the possession of the Treasury representatives handling this investigation, I appreciate your bringing it to my attention.

You may be sure that we are tracking down all of the leads.

Sincerely,

(Signed) Henry

Mrs. Franklin D. Roosevelt
The White House

Handwritten initials and signature

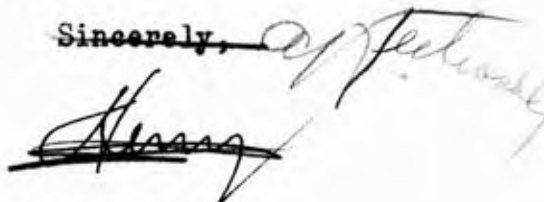
THE SECRETARY OF THE TREASURY
WASHINGTON

Dear Eleanor:

Thank you for the material contained in the reports on SKF which you sent me on June 6, 1944. Although this information was already in the possession of the Treasury representatives handling this investigation, I appreciate your bringing it to my attention.

You may be sure that we are tracking down all of the leads.

Sincerely,

A handwritten signature in dark ink, appearing to read "Henry", is written over the word "Sincerely,". To the right of the signature, the word "affectionately" is written in a lighter, cursive script.

Mrs. Franklin D. Roosevelt,
The White House.

THE WHITE HOUSE
WASHINGTON

June 7, 1944

Dear Henry:

I was given this report on the subject which we were discussing. The man has been close to this picture and I think is reliable. I am sending you this in confidence.

Affectionately,



MEMORANDUM ON S K F

In the current investigation on SKF the following points are important:

1. The important foreign files, including the correspondence between SKF in this country and SKF Sweden, and other foreign countries have been destroyed by order of the American SKF officials. According to an interview with Mr. William Batt, it is the custom of the American SKF to destroy its files every seven years. It is extremely significant that Mr. Batt ordered the destruction of all foreign correspondence for the years prior to 1941 and 1942. Orders to destroy these files came down three days after Sweden was blocked by the United States Treasury in 1941.
2. Ever since the war began the Swedish company has been giving orders to its American affiliate with respect to volume of production, prices, and other matters of major policy. At one time it appears that the Swedish company deliberately withheld the shipment of necessary machinery to curtail production in this country for about eight months. All ball bearing machinery for SKF companies must be imported from Sweden and, consequently, the parent company can dictate changes in ball bearing production in foreign countries.
3. All of these orders from the Swedish parent company came through the Swedish Legation in Washington, thus escaping the normal channels of censorship.
4. There is a very considerable investment of German capital in the Swedish company. At the time of the merger of the German companies into the VKF Combine under the control of the Swedish SKF, a very substantial block of shares in the Swedish company was given to Germany. The shares received by the Germans were so-called B shares -- those without voting rights -- but the evidence is clear that the Germans have a very important position in the determination of all major matters of policy. In fact, the former manager of the German ball bearing is now manager of the Swedish company.
5. The largest share of SKF's production is located in Axis-controlled Europe, 52% in Germany and 64% in Germany and France.
6. There is considerable evidence of a direct German interest in the United States Company. Just prior to the last war the Hess-Bright Company, owned by the German Munitions Trust was purportedly sold to the Swedish SKF. The investigation made by the Alien Property Custodian at that time indicated great doubt in the validity of the sale to the Swedes. A cash transaction of \$2,800,000 reported paid to the Germans by the Swedish Company for the property was never traced. In fact the whole investigation was a fraud, since the final report submitted by the United States Secret Service was written by the vice president of SKF. Other evidence indicates that the Swedish company merely acted as a front for the German company and that that situation still exists.

7. Until 1940 Mr. William Batt was a member of the board of directors of the American Bosch Company which has since been seized by the U. S. Alien Property Custodian. This company attempted to cloak its German ownership under a purported sale of the properties to Swedish interests affiliated with SKF just prior to our entrance into the present war. The Alien Property Custodian nevertheless seized the properties on the ground that the transfer was fraudulent. It is reported that, at the time of the American Bosch investigation, a memorandum was prepared by the Treasury Department on Mr. Batt's connections with German companies, which was sent to the White House. The memorandum raised the question of the desirability of allowing Mr. Batt to hold a prominent position in the War Production Board in the light of his business affiliations.

8. Numerous letters in the SKF files indicated that Mr. Batt was under orders from the Swedish company to supply the Latin American market, irrespective of current war orders in the United States; and that all sales in the United States should be based primarily on the long-term business interests of the company rather than the needs of the war effort.

At the present time an FEA representative is in Sweden attempting to purchase the SKF property in Sweden for \$30,000,000. In the light of the above facts it would seem that action other than that of purchase could be effected to get the results desired.

The following steps are suggested:

- a. Declare null and void the voting trust agreement now placed by Swedish SKF in the hands of Mr. Batt.
- b. Seize the SKF properties in the United States, placing them under the Alien Property Custodian.
- c. Place on the U. S. Proclaimed List all SKF companies in Sweden and Latin America.
- d. Encourage American firms to export ball bearings to Latin America to compete with the SKF monopoly in those countries.
- e. Place on the U. S. Proclaimed List all major Swedish companies affiliated with SKF., i.e., Asea, Atlas Diesel, Separator, etc.
- f. Block all transfers of funds from Latin American subsidiaries to Sweden.
- g. Eliminate the Swedish cartel in ball bearings in Germany after the war.
- h. Eliminate the Swedish monopoly in France and Japan.
- i. Seize all patents belonging to SKF Sweden and SKF Germany and other patents held by SKF subsidiaries in Europe.

Some Notes on S K F

It is evident, from the investigation so far, that Von Rosen was sent here in 1940 to organize the Foreign Sales Department of S K F Philadelphia, and to execute the orders of the parent Company in Sweden. Von Rosen, it seems, has very large authority to decide what should be done in almost each instance except in cases where an important decision is to be made. In such cases he communicates with the Home Office via the Swedish Legation in Washington and a certain Captain Wessel who, it seems, is a Naval Captain traveling extensively all over the world. We have not been able to find all of the correspondence going through the Swedish Legation but, from what we have found, it is evident, that the major decisions are transmitted from Stockholm via the Legation to Von Rosen.

Prior to the death of Uno Forsberg, the President of the Company, in March 1941, Von Rosen used to communicate with the former, and the following will bear out conclusively the purpose of Von Rosen in this Country.

A letter dated June 28, 1940, Forsberg to Von Rosen, states - "It is of vital importance to deliver goods to the sister companies from S K F Industries, as we are unable to supply these companies from Sweden. Further, as we are unable to ship steel, S K F customers in Philadelphia should acquire the steel in the United States. S K F Industries is to supply the sister companies in Latin America and S K F Industries is also to supply the British SKEFCO COMPANY with tubes, balls, and rollers." Although S K F, Sweden, was shut off from so many markets, Forsberg felt hopeful that S K F, Sweden, and Hoffors, Sweden, would be kept busy, provided shipments continued to Japan over Siberia, and also because he hoped to get orders from Russia. The implication seems to be that Sweden was too busy selling goods to Germany and thus was unable to supply the subsidiaries in Latin America. Hence, Philadelphia was to see to it that the Latin American factories were provided with the necessary goods.

Changing of Accounting Methods

We have not made a thorough analysis of the new accounting methods used by S K F Industries in Philadelphia. It is certain, however, that the new accounting methods to be used after the arrival of Von Rosen in this Country were dictated by Forsberg. It is also certain that the Treasury does not like their methods. (We will know more about the nature of this accounting next week.) Suffice it to say for the time

being that S K F Industries is providing the Latin American branches with goods at considerably lower prices than those charged to American customers. Personally, I believe it is a violation of the Robinson-Patman Act. Then too, there is a question as to whether it is fair to export goods from here at a time when we are short of them ourselves, in order to sustain the monopoly of S K F over the Latin American market.

S K F, Sweden, dictates production
of S K F Industries

It is established that Forsberg in 1940 told Von Rosen and Batt how much should be produced. At first Sweden was reluctant to increase production in this Country fearing that there would be over production. However, in 1941 Forsberg told Von Rosen that production should be increased to 45,000 ball bearings per day.

Concerning sales, Forsberg told Von Rosen that sales must be made to those customers most useful to S K F when normal times returned, and those customers must receive only a limited amount of supplies. However, Von Rosen is to see to it that by all means Latin American subsidiaries of S K F must be supplied. As monies no doubt will accumulate, Forsberg tells Von Rosen not to deposit too much money in American banks for fear it might be blocked. In any case, Von Rosen is to consult with Batt and the latter is to decide what to do with the monies. As an increase in capital is desirable, Forsberg suggests that after the war S K F, Sweden, will consider an increase in capital of S K F Industries, Philadelphia. Incidentally, while all these orders were issued, Forsberg was pleased to tell Von Rosen that in 1940 S K F, Sweden, earned 19,000,000 Kroners.

Apparently there was fear that S K F, Philadelphia, might have to purchase too much steel. For this reason, Forsberg told Von Rosen not to purchase more than is absolutely necessary for Sweden does not want Hoffors to lose its sales as soon as this may be possible.

Mr. Batt's activities in Washington

In a letter dated November 22, 1940, Forsberg had this to write to Von Rosen about Mr. Batt - "I hope that Mr. Batt's work in Washington will give him a better chance to take care of our lawful rights, especially under present conditions, since Sweden does not enjoy a surplus of goodwill in the United States." Mr. Forsberg was also glad that Wollmar and Von Rosen are in the United States since Sweden depends on American factories.

In the same letter Forsberg advises not to open a new factory in Canada but Mr. Von Rosen is to see to it that Canada is supplied from Philadelphia.

Still, in the same letter, Mr. Forsberg again reverts to the method of accounting and he has this to advise - "The main thing is that the account is set up as already agreed and that a report is sent to Sweden in the best possible way so that no information that could harm the concern as a whole is seen by the wrong people." Forsberg also adds in the letter that Von Rosen knows his desires (Forsberg's) and knows the situation well enough to know how to act.

Mr. Batt's Attitude toward production

On July 17, 1941, Batt wrote the following note to Wingquist - "We have had a definite plan of not accepting orders from new accounts unless the business was exceptionally desirable from a long-range point of view and we intend to continue along this line." This apparently was an answer from Batt to the orders from Sweden to limit production in this Country.

As mentioned before, Forsberg told Von Rosen, via the Swedish Legation, what the production in Philadelphia should be. As it was decided to increase the production to 45,000 ball bearings per day it was necessary to ship the machinery from Sweden to this country. Apparently there was a delay in sending the machinery and a letter from Forsberg to Von Rosen, dated March 22, 1941, had this to say - "Wallenberg knows that machines for increasing production in the United States have been delayed for about eight months." Could this mean that Wallenberg deliberately delayed the sending of the machinery from Sweden to the United States?

Von Rosen is Interested in the German Company

In a letter sent by Von Rosen to Boman, a high official in S K F, Sweden, dated July 24, 1941, Von Rosen is anxious to know what has happened to the German Company after the departure of the General Manager, Hamberg, from Schweinfurt to Gothenburg, Sweden. In the same letter, Von Rosen says that he is certain that if relations between Sweden and the United States Government grow worse, the present accounting system used by S K F Industries will not be continued. If this happens, then S K F Industries, Philadelphia, would have to open firm accounts between it and the sister companies in Latin America. Von Rosen also adds that the United States Treasury Department does not like the present accounting system.

Germany's attitude toward shipment of ball bearings from Sweden to its subsidiaries.

While we in the United States are trying to find a formula for holding back Swedish ball bearings from Sweden to Germany, here is

what the Germans do to us. On January 20, 1942, Von Rosen writes a letter to Paulson, S K F Manager in Montevideo flatly stating that - "Since the Germans don't allow Sweden to export ball bearings to S K F subsidiaries in Latin America, you will become totally dependent on S K F Industries, Philadelphia." Apparently Von Rosen must be very anxious to export as many ball bearings as possible to Latin America. Von Rosen tells Paulson to influence the Uruguayan government as to the necessity of importing ball bearings so that the Latin American government can help S K F to ship them what they need, and as regards their needs Paulson was to tell the Government what they need. This influencing of the Latin American government is also stressed in many other letters sent by Von Rosen to Latin America.

Von Rosen's activities in Swedish diplomatic circles

It is evident that Von Rosen must enjoy a great prestige in Swedish diplomatic circles. In numerous letters addressed to his managers in Latin America - who, by the way, in most cases are also Swedish Consuls or Vice Consuls - he tells them who should be retained, who is good, and who is bad. Von Rosen also seems to defend some of his managers in Latin America from accusations leveled against them that they are pro-Nazi.

Reports to Sweden on American Production

We have not been able to locate a report emanating from Philadelphia to Sweden regarding American production in war time. There is one letter written by Assistant Treasurer Wainwright to Boman, Gothenburg, in February 1938, telling him in detail about the competitors in the United States and past and contemplated production of ball bearings.

Mr. Batt pulls strings in the American Embassy in Rio

It would appear that Von Rosen was considered at one time persona non grata in some Latin American countries. As Mr. Von Rosen was going to Latin America in 1942, he was anxious to appear as persona grata. Therefore, he asked Mr. Batt to contact the American Embassy at Rio to tell Mr. Caffrey, the Ambassador, that Mr. Von Rosen was a suitable person.

S K F connections with the Ericsson Telephone Company

It would appear that S K F has a very close relationship with the Swedish Ericsson Telephone Company. In April 1944 Von Rosen made an arrangement with the Ericsson Telephone Sales Corporation, New York,

a subsidiary of the Swedish Ericsson Telephone Company, to supply the Argentine S K F branch with a list of goods which apparently S K F Industries, Philadelphia, was not able to supply.

S K F purchases rubber in Brazil

On July 29, 1942, S K F subsidiary, in Brazil, purchased a large amount of rubber in Brazil for the Swedish government. I understand this purchase created a lot of ill-will among American and Brazilian authorities toward Sweden. The S K F subsidiary in Brazil was told to hold the rubber until the end of the war and refused to sell the rubber to the Brazilian or United States authorities.

Proclaimed List activities

As you know, a Swedish Company by the name of A. B. Seperator, which is selling its goods all through Latin America through the S K F branches, has refused to fire its agent, a Mr. Hasenklever, who is on the Proclaimed List. In a letter of July 29, 1942, Mr. Von Rosen speaks about it. In the same letter, Mr. Von Rosen shows a great concern about the appearance of the Swedish Legation. As he does not like the appearance of the Swedish Legation, Mr. Von Rosen orders upholstering done and promises to pay the bill. In the same letter also, Mr. Von Rosen suggests that orders from Latin America be split up as far as possible, and each order be given an individual customers name. Since Von Rosen speaks about difficulties in delivering large orders to the Latin American countries, this may mean that fictitious ultimate consignees are given in order to overcome the difficulties as regards obtaining licenses from the United States authorities.

S K F Patents in Latin America

In 1940 all the Swedish patents of S K F were assigned to S K F Philadelphia. On September 22, 1941, Glimstedt, a high official in the S K F Company, Sweden, informs the S K F Company in Philadelphia that no S K F patents be re-assigned nor licensed without explicit permission by S K F Sweden.

Mr. Von Rosen does not tell his real reason for being in the United States to the United States authorities

As you know, Von Rosen came to this Country in 1940, because, as he stated it in several letters to his managers in Latin America, S K F Industries had not exported to Latin America before this war. Therefore,

it became necessary after 1941 to manage the exports from S K F to Latin America. This was the reason why Von Rosen came to the United States. However, Mr. Von Rosen, on the advice of his attorney did not tell the Government the real reason for his being in this country and for his immigration visa which he tried to obtain in 1940.

It is interesting to note that in his application to the United States Government authorities for an immigration visa, Mr. Von Rosen did not mention the real reason for his coming to this Country but, instead, told the United States authorities that his purpose in coming here was to handle the affairs of Panrop - a holding company which was established in 1940 for the purpose of safe-guarding S K F shares in foreign countries. In order to obtain his immigration visa two prominent persons filed affidavits and stated specifically that Mr. Von Rosen came to this country for the purpose of managing the Panrop Company. These two persons were Wm. L. Batt and Wm. Y. Elliott, both of the War Production Board.

Germany's Interest in V K F

An official publication of the German Ball Bearing Company published in 1933 which flatly states that the majority of the interests of the German 30,000,000 RM company capital is owned by Germans. In addition, there are other shares of S K F Swedish Company in private German hands. Unless the German publication is lying, which is extremely doubtful, this would show that the Swedes must be doing a beautiful job of camouflaging.

I think that something should be done about the tremendous amount of correspondence between S K F, Sweden, and S K F, Philadelphia, via the Swedish Legation. I think this is extremely important and the State Department should be told about it immediately. I believe that we will find the real answer in the Swedish Legation. I also think that the problem of selling S K F goods in Latin America at considerably below the prices prevailing in the United States should be looked into.

THE SWEDISH BALL BEARING BUSINESS

The Swedish Ball Bearing Company was formed in 1907 and, with its subsidiaries, constitutes the world's largest group of manufacturers of ball and roller bearings. The combined companies represent a self-contained unit with iron ore mines, forests, furnaces, blast furnaces, steel furnaces, foundaries and factories in Sweden, and plants in the United States, Great Britain, France, Germany, and Russia. (The plants in Russia were sold in 1931 to the Russian Government.)

Prior to the acquisition of the French company in 1938, the total number of shares outstanding was one million, sixty thousand, and the earnings of the company were as follows:

In 1924 -	6%
In 1925 -	8%
In 1926 -	8%
In 1927 -	10%
In 1928 -	12%

Dividends have been paid yearly ever since 1909 with the exception of 1921 and 1922.

In June 1929, SKF, in an effort to acquire a larger share in allied companies located abroad and competing foreign companies, offered 240 thousand B. shares to be sold in England, the United States, France, and Germany. The distribution of shares to be sold was as follows:

80,000 Shares to be sold in Britain at 14.5 Shillings per share;
50,000 American shares to be sold in the U. S. at the rate of 68.66;
25,000 Reserved for France and 25,000 reserved for the acquisition

of the German competing companies. In order to do so SKF increased its share capital from 106 million Kr. to 130 Million Kr., and the new

issue of 240,000 Kr. of the B shares was to be exchanged for shares in various German ball bearing concerns which became amalgamated in Germany under the structure of V.K.F. mostly, and also acquired further shares in the French company (the company was taken over in 1928).

Prior to 1929 the structure of the company consisted of 920,000 A. shares, par value of 100 Kr.; 120,000 B shares, par value 100 Kr.

The company had no funded debt at that time.

The A shares were quoted in Stockholm only and the B shares were to be quoted in London, Paris, and Geneva. It was also contemplated that eventually the B. shares would be quoted in Berlin and presumably after that the Chicago curb exchange.

The Swedish company, in issuing the B. shares did so because the Government of Sweden, as a rule, does not allow foreigners to hold more than a 20% voting interest in companies vital to the Swedish economy. For this reason most of the Swedish companies have A. and B. shares, the former having one vote and the latter 1/1000 of a vote. The SKF Company took ample advantage of this law and by issuing B. shares to be acquired by foreigners only succeeded in establishing a very strict control over the ball bearing industry. In addition, the company was very anxious to restrict the control, even in Sweden, in the hands of as few persons as possible. As a result, the company, for a number of years, has been encouraging the idea that B. shares were preferable, due to the broader market, and it would appear that this campaign met with success, since, as of 1941, the shares stand as follows:

759,723 A. shares, par value 80 Kr., and
518,490 B. shares, and
21,787 stamped B. shares

or

37,986,150 A. shares, nominal Kr.
25,924,500 B. shares
1,088,250 stamped B. shares
Total 65,000,000 - shares

The net effect of such a policy is that in 12 years the number of A. shares was reduced by 160,000.

It has been alleged by the Swedish Government that the German company and the Swedish company are owned almost entirely by Swedish interests. This is not true, as witness the following:

The Deutsche Volkswirt, of May 24, 1929, states that "the German Ball Bearing production in 1928 was estimated at Rm. 50 million of which SKF normally produced less than 30%. Fichtel and Sachs produced approximately 30%, and Fries Rolphlinger approximately 15%. The shareholders of Fries Rolphlinger exchanged their shares against shares of the British SKF."

"Arnhold Brothers, a syndicate leader for the majority has already accepted the exchange; the other shareholders will have to do the same thing as the exchange conditions appear quite favorable. (For Rm. 300 Fries Rolphlinger receives shares at 66%, Kr. 100. SKF shares are being offered at a value of approximately Rm. 300.)"

The Deutsche Volkswirt of September 13, 1929, had the following to add:

The amalgamation of approximately 80% of the German ball bearing production which was decided upon in May, has been completed by VEB companies. (1) Fichtel & Sachs A.G. (Re. 12 million) (2) Fries Rolpflinger A.G. (Re. 4,580,000,000) (3) Fleischwerk A.G. Berlin (purchased in 1938 by Fichtel & Sachs) in SKF Norm at the price of Re. six and a half million. (4) Maschinenfabrik, Weimand A.G. (formerly belonged to Fleischwerke)."

The Deutsche Volkswirt then went on to say that "the German companies are being paid for with Swedish shares which have voting rights of only 1/1000 of a share, and not with shares of the VEF. Two months ago SKF raised its capital from Kr. 106 million to Kr. 150 million, placing Kr. 15 million of the new shares in the U.S., England, and France at more than 250%."

The London Financial Times as of June 27, 1939, corroborates this story by mentioning the acquisition by SKF of Fries Rolpflinger, and Fichtel and Sachs, and adds significantly that "it is especially announced that Mr. Sachs will remain on the management of Fichtel and Sachs."

Meetings were thereupon held by the stockholders of the former companies and on June 7, 1939, the French "Agence Economique" reported that at the general meeting of the stockholders at Schweinfurt, 95-5/4 per cent of shareholders represented voted for exchanging their shares against shares of SKF Sweden.

A few weeks earlier the Frankfurter Zeitung, of May 18, 1939, stated that for each Fries Rolpflinger share a share of SKF Series B. will be given. The German paper did not state what was given for each

share of Fichtel and Sachs, but the person who was a member of the VKF up to 1938 stated that the price paid for each share in VKF was also one share of SKF Series B.

Plainly, therefore, the Germans did not sell out their entire industry to the Swedish company but accepted the domination of the SKF Company in return for greater privileges to be derived from

- (1) belonging to a world monopoly in ball bearings
- (2) participation in the export of ball bearings to the world market
- (3) access to patents, technique, and lower prices for Swedish steel
- (4) protection in war time with an adequate supply of ball bearings from Sweden
- (5) a claim in war time that the German company is in reality Swedish and neutral

The negotiator of Fries Holphlinger was Hans Arnhold, a partner of Arnhold Bros., of Dresden. The firm of Arnhold Bros. obtained about 400,000 Kr. in SKF B. shares as its commission, of which about 18,000 are still outstanding on their books and the rest presumably in German hands (turned over to the Hardy & Co., Dresden).

Following the establishment of VKF Hans Arnhold, of the Arnhold Bank, and Paul Kempner, partner of Mendelsohn Bank, were invited to join the Board of Directors of VKF, as representatives of two of the largest banking groups in Germany. In the 'Thirties, G. B. Fyris (Fyris is Swedish Ambassador in England) dictated the policy of the company. Fyris, at all times, has been very close to Goering. He, personally, is a very close friend of Goering, and the latter apparently was very satisfied with the arrangement because Germany's interests were well protected and Fyris

saw to it that nothing was done without the approval of Goering. His influence on Goering was so strong that in 1935 when Frits was asked to abstain from the Board Arnhold and Kemmer, Frits prevailed upon Goering to influence Hitler not to apply the law against the two Jewish members of the Board. This was accomplished and both Jewish members of the Board were allowed to remain; Arnhold until he died in 1936, and Kemmer until 1938, when he had to leave Germany.

It was stated by the brother of the late Mr. Arnhold, who is in the United States now, that Goering's influence on SKF is very strong. He has heard that Goering received money from the SKF in cash in order to protect the company and to allow it to be "controlled" by Sweden. He believes the amount was between two and three million dollars in cash. Mr. Arnhold also believes that Sweden was protected against invasion largely through the efforts of Mr. Goering.

It would appear that Goering is a close friend of Jacob Wallenberg, the most influential man in the Swedish economic and financial life, a member of the Board of SKF since 1933, and very influential in German industrial and financial circles.

Other members on the Board of SKF were: Peter Klockner, who later became chairman. According to Mr. Arnhold, Klockner had a substantial share in SKF; how much he does not know, but he is certain from conversations held with Klockner that the latter had a substantial share. Frits Thyssen also had a substantial share in the SKF, and Dr. Karl Wendt also held a substantial share for the Krupp interests. The former member

of the VWF Board regrets that he is unable to provide us with documents pertaining to the exact number of shares held by these three industrial groups, but he is certain that they held a substantial block of shares, since ball bearings were and are essential to the German industrial activities.

In 1929 the capitalisation of VWF was increased from 7,250,000 to 40 million M. The production was concentrated in Schweinfurt and Stuttgart -- Gammstadt. In 1930 the company also took over the ball bearing business of Berlin Karlsruher Industriewerke A.G. In addition to their above-mentioned plants in Schweinfurt and Stuttgart, the company also acquired another plant in Rietzer, near Berlin.

In 1931 VWF reduced its capital from 40 million to 30 million M. This became necessary due to their re-valuation of the capital assets. The 10 million M. shares were put at the disposal of VWF Germany by SKF Sweden, without any equivalent accrued to SKF Gothenberg, Sweden.

VWF paid no dividends from 1931 to 1934. It paid five and a half per cent in 1935; six per cent in 1936; eight per cent in 1937; and 8.90 per cent in 1938.

The last available balance for 1938 showed a considerable expansion of plants. Plants M. 6,728,000; plants in construction 5,681,000; liquid assets 57,188,000; -- liability 14,516,000 capital 20,000,000; reserves 18,528,000.

In 1941 VWF increased its capitalisation from 30 million to 60 million marks. The question is by what means did it increase its

capitalization? Did the Swedish SKF double the capital or did the German Government advance the money and thus acquire the control of the VEF from the Swedes? A strong presumption exists that the Germans put up the money in order to acquire the financial control of the company, for it is difficult to conceive that the directors of SKF Sweden, at a time when the intrinsic weakness of the Rm. was apparent to everybody -- (hidden inflation and inability of Germany to provide foreign exchange for financial purposes) that SKF could convert Swedish Kr. into a bad quality Reichsmark. In addition, assuming the profits to be derived as a result of the increased capitalization of VEF, they would never have been big enough to wipe out the capital losses which a gold currency investment would certainly incur; therefore, two possibilities exist (1) the Germans paid in the equivalent of the new capitalization or (2) (which is very remote), the VEF put in the 30 million Rm. out of accumulated earnings. The second possibility is very unlikely because of very high taxation. In other words, the company could not have accumulated so much money in order to double the capitalization. The logical conclusion is that the VEF today is controlled financially by the German Government. Such an arrangement must be quite acceptable to SKF since in any case they cannot take out any dividends from Germany to Sweden.

SKF Manufacturing Subsidiaries: The principal manufacturing subsidiaries of SKF are: SKF Industries, Inc., Philadelphia, Pa. (2) Wafko Ball Bearing Company, Ltd., Luton, England, (3) Cie. d'Applications Mecaniques, Paris, France, (4) SKF, (5) Linkoping Mekanska Verktads A.B. Linkoping, Sweden, (6) A. B. Hofors, (7) Kopings Mecaniska Verktad. These subsidiaries constitute a world cartel in ball bearings. SKF is the largest ball bearing plant in Germany. The French and British branches are important producers in their respective countries. The policy of SKF for a long time has been to build large, and more or less autonomous subsidiaries in various countries including the United States, eliminating competition, organizing cartels and manufacturing combines. After the outbreak of the war the Swedish SKF used to supply all its manufacturing subsidiaries in Europe with high-quality steel necessary for essential ball bearing production thus strengthening the control of Swedish SKF of the entire ball bearing industry in Europe. Insofar as the German raw material was concerned, in the 'thirties the SKF Swedish factory was more valuable to the German ball and roller bearing industry as a supplier of finished ball and roller bearings. It must be noted, however, that the control of their European ball bearing industry was exercised through its subsidiaries in Linkoping. This company supplies the most important tools and equipment for making ball and roller bearings for all the subsidiaries. By controlling this company SKF is in a position to control the output of every company and technique and the dependence of the various international groups upon Sweden, for the most

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essential tools. As regards Germany, such an arrangement was quite satisfactory since in wartime the German ball bearing industry had an easy access to tools which can be manufactured in all safety in a neutral country. It would appear that this policy has proved quite satisfactory to Goering. This can be seen also in the case of the Maag Company, Zurich, Switzerland. This company makes the essential gear-grinding machines used for grinding gears for the German Luftwaffe.

My informant stated that before outbreak of this war Goering decreed that grinding of gears be made on Maag machines only, for the purpose of having the replacements in a neutral country in the event of destruction of the German plant. By the same token my informants stated that the Germans felt that their interests would be much better served by having the tools manufactured in Sweden. Conversely such an arrangement enabled the SKF Co. to safeguard their interest in Germany.

The SKF annual reports to the stockholders used to carry in detail the number of shares held by the Co. in all its subsidiaries up to the year 1936. Thus, the books show that as of the end of December 31, 1929, the number of shares owned by SKF-Sweden in SKF Industries, Philadelphia, stood as follows:

75,185, \$100 par, total value, \$7,518,500, and the book value 27,818,450 Kr., Skofko Britain, 499,997 shares, 1 L par 499,997 book value, 5,969,275 Kr., Paris 16,114,091 Kr., SKF 397,067 shares, 100 NR., par 39,706,700 NR. book

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value 26,215,755 (in 1930 book value was reported at 3,893,782 Kr.) Lindkoping 100 shares, 100 par value one million Kr., book value 686,482.

As of the end of 1930 the number of shares, par, and the book value remained the same.

As of the end of December 31, 1931, SKF reports a decline in the number of shares held in VKF from 399,997 to 299,175, but the book value remained the same. This reduction in shares is accounted for by the reduction of the share capital of VKF from 40 million Ba. to 30 million as stated above.

At the end of 1932 SKF formed a new company in Tokyo with a share capital of 750,000 yen. The total value of the shares was reported on their books at 855,000 Kr.

There is an interesting item entitled "Investments in various ball bearing companies." The Swedish company reports that the investments in various ball bearing companies amounting to 7,904,498, at the end of last year (1931) has during the year been partly transferred to its affiliated companies where they belong, at the figure at which they were on the parent company's books.

The meaning of this statement is not exactly clear but it would seem to indicate that some of the SKF shares held in foreign countries must have been sold to the nationals of the countries where the subsidiaries were located.

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No substantial changes took place in 1933 and 1934. Occasionally shares of other companies held by SKF would be reported but of no particular importance in this case, but at the end of 1935 the Board of Directors reported to the stockholders the company had acquired a substantial share of the French Citroen company amounted to 40,323 shares. In addition the company acquired 2,800 shares of the Hefors A.B. company, 2,800 shares of Electrolux and 1700 shares in Skandinaviska Kredit A.B.

At the end of 1936 the stockholders were informed that SKF sold 55% interest of the Skefko, Luton, England, for 37,311,956 Kr., and retained 45% of their interest in the company. The purpose of this sale was to get the British interested in the company to gain the good will of the British people and to tie in the British interests with those of SKF. At the same time an arrangement was entered into between SKF Sweden and Skefko for 30 years which provided for the supply by SKF of steel, an interchange of finished products, pooling of patents, designs, and technical information within the group controlled by the SKF Company. The London Stock Exchange Official Intelligence, 1943, reports total capitalisation of the company at one million pounds, of which 359,840 was reported as owned by Sweden. The directors of the company are:

Major Sir R.G.G. Glenn M.P., chairman,
Wilhelm Siberg, manager,
G.A.R. Mead, director,
Sir Henry Penson,
F. H. Branton,
M. L. Wilson,
Evan Frisell, directors.

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In 1936 it was also reported by the board of directors that the capital shares of SKF were reduced from 130 million Kr. to 65 million Kr., and this was accomplished by refunding 50 Krs. to each stockholder.

From 1936 on the company changed its accounting methods and did not report on its share portfolio. From that time on every company reported separately to its own stockholders. At the end of 1941 the book value of the German plants of SKF stood at 6,345,000; in 1935 it stood at 8,332,000 Kr., book value of the German plant. The SKF capital shares stood as follows: A. 37,986,150 nominal Kr., B. shares 25,924,500 nominal Kr., B. shares stamped 1,089,350.

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SKF connections with other Industrial Concerns of Sweden:

SKF was closely connected with the most representative Nasl concerns of Sweden. These connections are both direct and indirect. They are direct through arrangements whereby SKF subsidiaries abroad sell the products of its affiliated companies in Latin American and Europe. The indirect connections are numerous due to the fact that SKF Sweden holds large blocks of shares in the companies enumerated below. The additional fact that Wallenberg through his own bank, Enskilda Bank of Stockholm, and A. B. Investor, is reported to be holding large blocks of shares in each of the companies enumerated below.

A preliminary investigation shows that the most important firms with which SKF is connected are the following:

Asea - the General Electric company of Sweden, manufacturing electric machinery and electrical equipment of all kinds.

Marcus Wallenberg and O. Wallenberg are directors in Asea, also C. Hamburg, the latter three are connected with SKF.

The president of Asea is J. B. Edstrom, president of the International Chamber of Commerce. The Asea group comprises the following companies:

Sarabumars Bruks A. B. - Kr. 500,000
Iron Mines - steel works, paper mills

A. B. Skandinaviska Electricitetsverk 3,200,000 Kr. Capital
Operate electric power plants.

Svenska Turbinfabriks A. B. Ljungstrom, Kr. 3,000,000 capital
Electric cables, wires and turbines.

A. B. Liljeholmens Kabelfabrik - Kr. 1,500,000 capital
Luth and Rosens Elektriska A. B. - Kr. 2,037,500 capital
Electric machinery and appliances.

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Diesel Elektriska - Vagn A.V. - Kr. 280,000 capital
Diesel electric motors

A.B. Svenska Flaktfabriken - Kr. 1,400,000 capital
Ventilators

Elektriska A.B. Helios - Kr. 500,000 capital
Electric stoves

A. B. Elektro Invest - Kr. 12,000,000 capital
Founded by Asen and A. B. Investor
Financing of enterprises for producing
and marketing electric energy in Sweden.

A. B. Investor:

A. B. Investor is a holding company for the most outstanding Swedish industries. This can be seen from a casual glance at the by-laws of the company where it is plainly stated that the purpose of the company is "to own and manage real property and chattels."

The share capital of the company consists of 36,000,000 Kr. at 500 Kr. each. The members of the Board of Directors as of 1941 stood as follows:

Marcus Wallenberg - Chairman
J. Hellner and F. G. Liljenroth - Directors.

In December of 1936 A. B. Investor. Inc., carried in its portfolio the following "A" shares

42,000 shares of S.K.F. Sweden
18,000 shares of Atlas Diesel
30,000 shares of Separator
42,000 shares of Asen

In 1941, Investor held the shares in the following companies:

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36,000 of Emissions Institutet
 12,200 of Atlas Diesel
 60,000 of Electro-trust
 30,000 of Separator
 38,000 of SKF
 80,000 of Swedish Match Company
 4,692 of Eastern Asiatic

(In connection with the above one must notice that Separator, which has a great influence in Investor, is very strongly represented in Germany proper and in countries occupied by Germany.)

A. B. Separator

This company owns mechanical plants and electrical power stations in Stockholm and in provincial Sweden. Among the directors of the company are two men connected with SKF - Wallenberg and Forsberg. The share capital as of 1941 amounted to 81,700,000 Kr. divided into shares at 100 Kr. each.

As of 1941 Separator owned the following shares in its subsidiaries

16,997 - De Laval Separator Co. N. Y.
 20,362 - De Laval Steam Turbine, N. Y.
 270 - A. G. Alfa, Laval, Separator, Vienna
 160 - A. G. Alfa Separator, Budapest
 6,000 - Societe Alfa Laval, Paris
 250 - A. S. Alfa Laval, Copenhagen
 1,000 - Alfa Separator, Yugoslavia
 All shares in Alfa Laval, Warsaw, Poland
 All shares in Separator, Prague
 All shares in Alfa, Laval Separator, Berlin

SKF is closely connected with A. V. Bofors

It was previously stated that at the end of 1935 SKF held 2,800 shares in the Bofors company. Unfortunately, however, after 1935 the SKF company reports to the stockholders ceased mentioning its stockholdings in affiliated companies. It is known, however, that

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Bofors, makers of explosives and ammunitions for Germany, is controlled by Axel Wenner-Gren, famous Swedish adventurer now on the Proclaimed List. Early in the 'thirties Wenner-Gren purchased a large block of shares of BOFORS. At about this time he also acquired a majority control of the Nobel Explosive Works. Axel Wenner-Gren has been closely connected with German interests and it has been reported that he has been selling enormous quantities of ammunitions to the Germans. The following statistics will show the tremendous sales made by Bofors to Germany -

In 1937 - 51,000,000 Kr.

In 1938 - 91,000,000 Kr.

In 1939 - 156,000,000 Kr.

In 1943 - 320,000,000 Kr.

(as reported by Swedish Newspapers).

In 1934 Bofors was jointly controlled by Wenner-Gren and Krupp. It is worthy to note that even then Swedish law prohibited foreigners from holding any large share in Swedish armament works. Krupp, with the aid of Wenner-Gren, succeeded in purchasing a large block of shares through Swedish dummies. In 1934 when this was discovered the Swedish government forced Krupp to sell its shares in Bofors. It is reported that Krupp made a deal with Wenner-Gren and "sold" to him the 35% of shares held by German interests. The presumption is that Wenner-Gren is holding Krupp's shares in his name so as to comply with the Swedish law. Since Wenner-Gren interests in Germany are extensive. For instance the Electrolux Company in Germany is very important and in fact the headquarters of Electrolux are in Berlin and Hungary.

Up to the outbreak of the present war Wenner-Gren was chairman of the Swedish Electrolux Company. Shortly after the outbreak of the present war Wenner-Gren resigned from the Chairmanship and turned it over

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to his British friend Sir Harold A. Wernher, thus enabling the Electrolux company located in both the allied and the enemy countries to do business as SKF holds a block of shares in the Swedish Electrolux.

Wenner-Gren controls a large aviation corporation, called Svenska Aeroplane Company, which is a very powerful aircraft company manufacturing mostly for Germany. Wenner-Gren also controls the Irono Swedish Company and the Tuolluvaara Iron Mines which is reported to be selling more than 90% of its production to Germany. It is reported that Axel Wenner-Gren has a substantial block of shares of Cellulosa, which owns five million acres of forests in Scandinavia. (SKF holds shares in these companies and it is also supplying them with ball bearings.)

Atlas Diesel

SKF holds a block of shares in Atlas Diesel.

This company has a capitalization of 6,773,000 Kr. divided into 270,920 shares representing 25 Kr. each. This company also has a proviso in its by-laws stating that of all the shares of stock not more than 30% or 5,183 shares may be in the possession of foreigners.

SKF subsidiaries abroad are the exclusive distributors of Atlas Diesel goods in their respective territories. It would appear also that Atlas Diesel is acting as intermediary between SKF subsidiaries in Latin America and two companies in Sweden which are on the Proclaimed List. These companies are Bolinders Fabriks, A. V. and Bolinders Forwaltnings, A. V. The president of these two companies, a Mr. Dahlerus, is reported to be very close to the Nazis. It is known

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that he holds a block of shares in SKF Sweden. Because of his Nazi connections Mr. Dahlerus cannot sell his goods directly to his Latin American customers and as a result he is using Atlas Diesel as an intermediary. In other words SKF subsidiaries in Latin America are distributing goods manufactured by Proclaimed List firms in Sweden.

Emissions Institutet Company

This company is controlled by Marcus Wallenberg. This company is also reported holding a block of shares in SKF. The purpose of the company is to issue bonds, to organize industrial and other enterprises and to buy, sell and administer chattels and bonds. Of interest to us is the fact that the company holds 62 shares of SKF Philadelphia.

A. V. Valve

This company manufactures automobiles and parts. The company is entirely controlled and owned by SKF and, its directors are Sven Wingquist, Chairman, and J. B. Prytz and A. Gabrielson, Directors.

A. V. Valve owns and controls Hofors Bruk A. V. Of interest to us is the fact that Hofors has entered into a world cartel with Ingersoll-Rand, and American company, through SKF Steels, N. Y., providing for a territorial distribution of drill steel.

Swedish Match Trust

At the time of the acquisition of SKF in

Germany by SKF Sweden it was reported that the purchase was made jointly by SKF and the Swedish Match Trust. Whether this is true or not is not ascertainable at the moment. At the moment it is known that Ivar Kreuger at one time held a substantial block of SKF shares. It is presumed that Wallenberg acquired these shares when he was called upon by the Swedish Government to straighten out the shares of the Swedish Match Company after the suicide of Kreuger.

Members of SKF Sweden: Present Chairman of SKF is Sven Wingquist. It is reported that Wingquist was the original inventor of SKF ball bearings. Wingquist is very close to Axel Wenner-Gren since it was the latter who placed him as head of the Swedish Aeroplane Company which is controlled by Axel-Wenner-Gren. This would seem to suggest a ~~close~~ relationship between SKF, Wenner-Gren, Bofors, and Kreuger. Further indication that the relationship between these four is very close can be adduced from the fact that in 1936 the chairman of Bofors was Wingquist. Other directors of Bofors at that time were Axel-Wenner-Gren and W. Forsberg of SKF. Other Directors of SKF are

Knut, J.: Son Mark, vice chairman
H. Mannheimer
A. Gabrielson
J. Wallenberg
H. Wetter
Olaf H. Hjorth.

It would appear at this moment that the head of all these companies, including SKF, are Wallenberg and the Enskilda Bank. Both have extensive interests in all these companies and both control the A.B. Investor Company which is acting as a holding company for companies included in

the chart. It is also known that Wallenberg's connections with the Germans have been close for a number of years. In addition Wallenberg's interests are very close with the Hambro Bank, London, England.

It is also reported that Jacob Wallenberg was a partner of Jacob Goldschmidt of the Darmstadter Bank. Both were partners in the International Bank of Amsterdam. It is reported by Goldschmidt that he purchased the stock of the American Bosch Company for Wallenberg in 1939. Mr. Goldschmidt reported to us that he is certain that Wallenberg is holding the shares for the German Bosch Company to be returned to Germany after this war.

The associations of Wingquist are as follows:

- Volvo Company
- Hydquist & Helm Company
- Swedish Aeroplane Company
- Skogsallskapet
- Swedish Industrial Association
- Consolidated Export Agents - 1913-25; 1934-39.
- Engineers Academy of Science - 1920 - Director

The associations of Jacob Wallenberg are as follows:

- Diligentia Company
- Intrescenter Company
- Separator Company
- Swedish Ball Bearing Company
- Gota Kanalbol
- Stockholms - Vasteras - Bergsl
- Steel Corporation
- Ang. Stenman Company
- Swedish Personal - Pens; Kass
- Swedish Obligation and Credit Bank
- Vikmanshytte Steel Company
- Kreutell Realization Company
- Voting Trustee of the International Match
- Realization Company, Ltd.

The associations of Marcus Wallenberg are as follows:

Atlas Diesel Company
Laurin - Casco Company
Holts Company
Faruplywood Industries
Stockholm - Bjorknas
L. M. Ericsson

The associations of Herman Mannheimer are as follows:

Scandinavian Credit Bank
Uddeholms Company
Luossavaara - Klirunavaara
Traf Company
Grangesb - Oxelos
Swedish Ball Bearing Company - SKF

G. B. Prytz is today Swedish Ambassador in London. His connections with SKF, however, are still intact, and his associations with other companies are as follows:

Jonsereds Company
Consolidated Swedish Export Association
Swedish Industrial Association
International Chamber of Commerce - Paris

Sven Eric Wetter's associations are as follows:

Swedish Tirring Shipping Co.
Swedish East Asia Co.
Swedish American-Mexican Lines
Swedish American Lines
Swedish Ball Bearing Co.
Consolidated Export Association
Gotesberg Chamber of Commerce
Gotesberg Harbor Control Commission

Export of all types of ball bearings from SKF Sweden to Germany and Axis Europe

		<u>Total Value</u>
1938	4,274 M. T.	23,130,000 Kr.
1942	7,685 M. T.	51,965,000 Kr.
1943	7,228 M. T.	60,151,000 Kr.
1944		29, 268,000 Kr.

SKF activities in Japan: SKF trades with Japan, either directly or through its U. S. and South American subsidiaries. This is reflected in various intercepts in our possession.

It is worthy of note that Hugh von Rosen, of the Philadelphia SKF branch, in December 1941, reported that "SKF is not directly or indirectly interested in any Japanese ball bearing factories". However, it is ascertained that the Philadelphia SKF firm, on October 31, 1941, forwarded reports to SKF Sweden, concerning imports for June through September, from SKF in Tokyo.

The various SKF establishments in South America cabled monthly reports to the SKF almost identical in form with the following report dated April 17, 1943: From SKF in Tokyo to SKF in Sweden:

"Tokyo, March - Sales: 86,866.08 - total 1,039,920.71 costs 37,122.04. Import expenses 33,072.22, Gross profit 55,553.41, Import expenses account 86,704.79."

Another cable provided by FMA states that the Swedish Legation in Tokyo to the Swedish Trading Company, Stockholm, December 6, 1943, states as follows:

"Ours October 1, Hallgren, requests you pay SKF Osterberg further Kr. 500, being final payment SKF goods."

Still another FMA report, dated November 20, 1943, from SKF Tokyo to SKF Sweden:

"October sales costs and imports expenses amounted to 16,245, and gross profit at 28,709.14. This would seem to prove definitely that a substantial trade is going on in ball bearings between Tokyo and Sweden."

The allegations made in this country by Hugh von Rosen and supported by Mr. Hagglof, of the Commercial Trade Division of the Swedish Foreign Office, -- organizer and director of a section established in the Swedish Foreign Office for the purpose of trading between Sweden and the occupied territories, -- who, according to despatch No. 831, July 30, 1943, was reported to have stated that no more export licenses to Japan had been granted. According to the same despatch it was reported that a credit of one million Yen had been opened in favor of SKF Gothenberg. This credit was opened by SKF Tokyo. In addition, this despatch also states that a Mr. Gadelius, of the Swedish SKF Company has been in constant correspondence with high officials. An inquiry was made by the legation to ascertain how Swedish ball bearings could be shipped from Sweden to Japan. If this is true then the goods could only be shipped via Russia. However, the Russian officials in Stockholm assured the American Legation that it was impossible to ship goods via Russia, Turkey, to Japan. However, Russian officials suggested that a check be made in Washington to see whether it is possible to ship fine ball bearings via parcel post. It is believed that this can be done.

It is also ascertained that the Chinese SKF Shanghai is asking the parent company for 15,000 Kr. to pay for employees to be sent via Svenska Handelsbanken via Deutsche Asiatische.

SKT Activities in Latin America

Numerous intercepts reveal that Hugh von Rosen, of SKT, Philadelphia, Industries, has correspondence between that company and SKT in Latin America. It would appear also that several Latin American branches of SKT are in touch with Germany, thus Censorship Intercept HAV.204, covered a letter sent by Stig Lagermans of SKT Cuba, to SKT Sweden, indicates use of private code and suggests active connections between SKT officials in Cuba and Germany.

Intercept TMI-4768/43 also suggests use of an unorthodox business code by SKT, Montivideo.

One of the most important branches of SKT in Latin America is that in Argentina. This company is the sales agent for goods emanating from A.B. Separator, A.B. Atlas Diesel, A.B. Asen, and A.B. Pentaverken. All these companies are closely connected with SKT. In addition, the Argentina subsidiary is also trading with a prominent German firm by the name of Bergische Aschenfabrik Wied; German Authority for this statement is intercept No. 34035/42. Further evidence that extensive trading is going on between them is revealed in intercept TMI. 1052/43, January 14, 1943, which covers a balance sheet mailed by SKT Buenos Aires Company to SKT Sweden, which included statements of both SKT and Bergische Aschenfabrik, consignment stock valued in Argentina currency, French francs, and Rs. Nor is this trade limited to Argentina alone. Intercept TMI.18457/42, and intercept HOL/PO/12797/43, Berlin. 2199/43, reveals extensive correspondence between SKT Sweden and SKT branches in

Brazil and Colombia, which state that the latter two SKF subsidiaries have been receiving goods from Germany in 1942 and 1943, and that the deals were handled mostly by the SKF subsidiary in Zurich, Switzerland and SKF in Göttenberg.

It would appear that SKF subsidiary in Chile is not averse to trading extensively with Proclaimed Nationals in that country. Thus, intercept NY 126963 covered a report from SKF Chile to SKF Sweden disclosing various South American firms on the black list. To mention only a few Proclaimed List firms in Chile, we find that the following Proclaimed List firms have been receiving goods from SKF subsidiaries in Latin America:

Adolfo Alvarez, Estado 378, Santiago, Chile
Randerf y Cia., Santiago
Anturo Prat, 692, Temuco
Jesus Martinez y Cia., Santiago, Chile
Herbert J. H. Mueller y Cia., Limitada, Santiago, Chile

While no accurate statistics can be obtained at the present moment regarding the extent of recent trade, there are reports about the extent of trade of SKF ball bearings with several Latin American countries, thus NY 283694, April 17, 1943, SKF Buenos Aires to SKF Sweden, reports total sales of SKF in Argentina for 1942 amounted to Argentina pesos 3,550,459.25, equivalent to Swedish Kr. 3,458,147.

Intercept TRI 10618/43 Asen, Sweden to SKF Argentina, indicates that Argentina is importing water meters from Asen to be sold in the Argentina market. The connections between Asen and SKF Sweden has already been alluded to; however, it is interesting to note that the meters to be sold by SKF Argentina were manufactured by Siemens in

Germany, and in view of the fact that no navicert can be obtained for goods with more than five per cent origin, Asca was making efforts to obtain navicerts from the British Government. By what methods this was to be accomplished was not stated.

25

June 16, 1944.

Dear Rabbi Korff:

Since I wrote you on June 13, the Secretary's plans have changed. He expects to fly back to Washington from Chicago next Tuesday, and if the weather is favorable, should reach here in time to see you that afternoon. He has put down an appointment for 3:00 o'clock on June 20, and would be glad to see you in the office at that time. There is, however, just the chance that with unfavorable weather, he might not reach Washington earlier in the day. If you are in the city, you might wish to check with my office, although I think it will probably be safe for you to come at that time.

Sincerely yours,

('Signed) H. S. Klotz

H. S. Klotz,
Private Secretary.Rabbi Baruch Korff,
160 Central Park, South,
New York, New York.

GEF/dbs

AIR MAIL
SPECIAL DELIVERY

25

June 13, 1944.

Dear Rabbi Korff:

Your telegram, addressed to Mr. Morgenthau, has been received in his absence from Washington.

The Secretary will be away for several weeks, travelling in connection with the launching and conduct of the Fifth War Loan Drive. As soon as he is back here, I shall be very glad to call it to his attention.

Sincerely yours,

(Signed) H. S. Klotz

H. S. Klotz,
Private Secretary.

Rabbi Baruch Korff,
160 Central Park, South,
New York, New York.

GEF/dbs

470

Tues 3

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1944 JUN 13 PM 2 53

WU52 38

NEWYORK NY JUN 13 212P

HON HENRY MORGENTHAU JR

SECRETARY OF TREASURY TREASURY DEPT

I REFRAINED FROM TAXING YOUR TIME IN THE HOPE THAT MATTER
WOULD BE SOLVED HOWEVER RECENT DEVELOPMENTS INDICATE TO THE
CONTRARY. MAY I SUGGEST A VISIT WITH YOU ANY TIME ~~MONDAY~~ DURING
NEXT TUESDAY WEDNESDAY OR THURSDAY. KIND REGARDS

RABBI BARUCH KORFF.

253P

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EXECUTIVE OFFICE OF THE PRESIDENT
WAR REFUGEE BOARD

INTER-OFFICE COMMUNICATION

185

DATE
June 16, 1944

TO Secretary Morgenthau
FROM J. W. Pehle

Attached hereto is one of the few adverse editorial comments which have been made on the free port proposal.



PROBLEM OF WAR REFUGEES

THE PRESIDENT, at a press conference, expressed the very logical conclusion that it would be common sense to keep war refugees near home instead of making provision for them over here. The plans are under consideration for caring for some refugees in this country. That would be a senseless waste of money and effort. There would be no point shipping them across the Atlantic to the United States and then transporting them over the same route to their final destinations.

We expect to do our full share in arranging temporary havens for war victims. That will call for housing and food. The shelter factor will not be more serious or expensive on the other side of the Atlantic than it would be here. It certainly will be much more economical and satisfactory to send food and clothing to those in need than it would be to bring them over here to be fed and clothed.

An important angle, which the President probably had in the back of his head and did not mention, is the possibility that many of the refugees who might be brought to the United States would remain. Efforts would be made by their friends and former countrymen to keep them here. The number who might become permanent residents probably would not be very large, but even a comparative few would add to our postwar complications.

We have immigration quotas for the express purpose of restricting the influx of aliens even in normal times. The flood of incoming refugees certainly should not exceed the established quota in any case. We shall have our own problems in getting service men and other Americans re-established in industry after the war. It would be unfair to put them into competition with a lot of war refugees. There should be plenty of work for everybody in Europe before the war-torn areas have been restored to normal conditions.

Fair Enough

By Westbrook Pegler



NEW YORK, June 14—Always a champion of unpopular and losing causes, I find myself skeptical of President Roosevelt's notice to Congress that 1000 European refugees will be brought to the country immediately and confined in a vacated Army camp and his assurance that, after the war, they will be repatriated.

This nation has immigration laws adopted for the purpose of excluding undesirable persons. These laws have been administered insincerely in recent years and evaded often, as in the flagrant case of Mrs. Earl Browder, an active, alien Communist posing as a harmless and non-political housewife. The U. S. people are sole authority on desirability and yet, in justice to them, it must be admitted that the provisions which they have adopted for their own protection are extremely liberal and more so than those of other countries.

Nevertheless, even this generosity has been flouted openly in recent years by the admission of individuals in guise of visitors who were legally ineligible to settle here when it was known that real conditions would make it impossible to deport them, regardless of their active conduct, or their attitude toward the American form of Government.

PAST performances in many fields instinctively suggest that the promise that these refugees will be repatriated after the war and meanwhile restricted, will not be kept. Past performances suggest also that once a principle has been conceded by importation of 1000 European aliens with no pretense that they are eligible or suitable for permanent residence here, the number that will be brought in later will be limited by shipping facilities, individual pull exerted thru personal friends and organizations in the United States, and public tolerance.

The latter will be a weak and leaky barrier against the immigration of Communists and others who won't like our way of living and doing and against continental crooks who would be no asset to any nation. The public tolerance operates thru Congress and Congress is beset and bedev-

led by propaganda which attacks as a Fascist and a bigot any man who, in the interests of his own people, undertakes to restrict immigration to those who have something to offer.

It is almost heresy to say that not all immigrants and refugees are ennobled by their sufferings abroad, but there is much biographical data to prove that many who came here shortly before the first World War for asylum did not join the native American youth in destroying those tyrants, but joined alien groups and movements and tried to destroy the American system. The native public is not organized to counteract the pressure on public men exerted by the organized pressure groups which call the United States a melting pot but, in reality, have in mind something more like a Central Park of the entire world where anyone may enter as a matter of right.

THE United States is, in reality, an exclusive organization. It has rules of eligibility and like most of our unions, reserves the right to reject applicants who do not meet certain requirements. These restrictions are unjust to no foreigner, because no foreigner has any rights in the matter. The United States can decide to exclude all immigration, if it comes to that, and to restrict the right to vote and hold public office to natives and, I believe, should do so.

Obviously the first 1000 are to be just a sample because 1000 refugees, more or less, in southern Italy would make no appreciable difference in the problem of feeding and governing the region. But to this country the difference could and probably will be great with other thousands following on, with the conditions of their immurement gradually relaxed and with carefully selected distress cases flaunted in the public eye in an appeal for sympathy and unwary kindness.

Of course this is all based on an assumption that there will be not 1000, but many thousands and that, once they are here, that will be the last the country will hear of their return to Europe. That assumption in turn, is based however on such precedents, as the great-but-forgotten New Deal unemployment census, and the aluminum pot collection, which never were heard of again.

JUN 16 1944

Deportation Action Faces Hebrew Leader

Deportation proceedings against Peter Bergson, leader of the Hebrew Committee of National Liberation and spearhead of a move to "establish a Hebrew nation," are under consideration by the Bureau of Immigration and Naturalization, a spokesman for Attorney General Biddle disclosed yesterday.

Similar steps may be taken against at least one other of the group's seven members, it was indicated.

Bergson came to this country from England—he describes himself as a citizen of Palestine—in 1940. His British visa permitted a six-month stay as a visitor, but he renewed it several times. The last renewal, however, expired in July, 1941, and technically he has been here illegally since then, the spokesman stated.

Denying that he knows "anything about this—though there are some people who would like to see it happen," Bergson yesterday asserted that his visa "is in perfect order." His appearance before the Immigration Board he described as a "routine" procedure.

He already has had a hearing before the Immigration Board; it was learned, with deportation to Palestine hinging on a decision by the Board of Appeals.

Hebrew Group Registers With Justice Dept.

The month-old Hebrew Committee of National Liberation, described by its spokesmen as the "voice" for "stateless" European and Palestinian "Hebrews" but not for Jews owning allegiance to any country, was registered with the Justice Department late Thursday as an agent for a foreign principal it was learned yesterday.

The statement, filed by Peter Bergson and S. Merlin, who listed themselves as chairman and a member, respectively, was made 18 days later than the registration time limit provided in regulations. The committee was organized May 18, and registration as a foreign agent is required within 10 days following such a date.

Likelihood of prosecution for the delay, however, was dismissed by a spokesman for the department's Alien Registration Section since the delay is comparatively short and willfulness "who have to be proved.

Named as the "foreign principal" for which the committee is agent is "the Hebrew Nation"—an estimated four million European Jews deported from their countries and, therefore, "stateless," and the "Hebrew" citizens of Palestine.

Emphasis was placed on the non-eligibility of Jews who are citizens of other countries.

The committees' funds were listed as \$25,000—\$10,000 received from the Free Palestine Committee and \$15,000 borrowed from the Palestine Defense Fund.

No officer of the committee is to receive more than \$3900 annually in pay, Bergson specified.

The Securities Exchange Commission is now considering a request by the group to float a public loan to finance future activities.

Hebrew Group Registers as Foreign Agent

18-Day Delay Is Not Held
'Willful Violation' by U.S.;
Bergson's Status Pending

By Ann Cottrell

WASHINGTON, June 16.—The twenty-nine-day-old Hebrew Committee of National Liberation announced today that it had registered late yesterday with the foreign agents registration section of the Justice Department—eighteen days after expiration of the deadline set in the regulations under the act.

No explanation of delay in filing in the ten-day period plus one day of grace allowed after the committee became subject to the act was given in a committee statement which said it was "only logical" that it register.

Meanwhile, a Justice Department spokesman revealed that the immigration status of Peter H. Bergson, chairman of the committee, is pending before the board of immigration appeals. Mr. Bergson has already appeared before the district office of the immigration service concerning his visitor's visa, which expired on July 7, 1941.

It is understood that the tardiness in registering under the act will not be prosecuted by the criminal division of the Justice Department as the delay is not considered a "willful violation" of the statute.

The committee defined the "foreign principal" which it represented as the Hebrew nation, which "consists of those Jews in Palestine and occupied Europe who desire to belong to it." "No" was the answer to the subsection asking that the registrant state whether it is affiliated, associated, supervised, directed, controlled or financed by any government of a foreign country or foreign political

party. Also, in answer to a question, the registrant stated that no one could belong to the Hebrew nation who is a member of another nation or owes allegiance to it. It said further, in effect, that a Jew can't be a Hebrew if he happens to be a citizen of another country, such as the United States.

There was very little reference to Palestine in the document filed by the committee. The Jewish Agency for Palestine registered last year as the agent for the Jewish Agency for Palestine in Jerusalem and claimed to be serving only Jewish interests in Palestine.

In answer to the question asking for names of persons responsible for the organization, the following names were submitted: Peter H. Bergson, 2315 Massachusetts Avenue, Washington; S. Merlin, 57 Park Avenue, New York; Theodore Ben-Nahum, 65 Central Park West, New York; Professor Pinkas Delougaz, 4724 Drexel Boulevard, Chicago; Eri Jabotinsky, now in Turkey; Arih Ben Eliezer, now in Palestine, and Captain Jeremiah Halpern, now in England.

In personal questionnaires Mr. Bergson gave his name as Hillel Kook, Palestinian citizen, born in Kruk, Lithuania; Mr. Merlin revealed his name was Smil Merlean, stateless, but born in Kishniv, Bessarabia, and Mr. Ben-Nahum revealed he had changed his name from Theodore Kopeliiovitch and is a Palestinian citizen, but he did not state his birthplace. All three arrived in the United States in 1940. Such facts on the other four members were not submitted.

EXECUTIVE OFFICE OF THE PRESIDENT
WAR REFUGEE BOARD

INTER-OFFICE COMMUNICATION

DATE JUN 16 1944

TO Secretary Morgenthau
FROM Mr. Pehle

I am sure that you will be glad to know that the blockade has at last been broken as to the feeding of civilians in internment camps in enemy Europe. Following recent discussions we had with Dingle M. Foot, Parliamentary Under-Secretary of the British Ministry of Economic Warfare, an agreement has been reached with the British to permit the shipment of 100,000 food parcels a month for three months for distribution by the International Red Cross to persons in internment camps. In addition, and at our suggestion, it has also been agreed that 25,000 clothing parcels will be prepared for later distribution to these same people when certain further information has been obtained from the International Red Cross on the clothing situation in the camps. Of course, assurances will be required by the International Red Cross as to distribution to intended beneficiaries, adequate supervision to insure no benefit to the enemy and reports on the delivery of all consignments. We are, of course, pushing to get the program under way at once, now that the basic blockade policy decision has been made.

The British proposed that the program be limited to detained persons in what was formerly unoccupied France. Since such a limitation is obviously unreasonable, we insisted that the proposed measure not be so limited and that it apply to any internment camps in Europe selected by the International Red Cross. It is understood that this three months' program is only an experiment, and, if successful, it is contemplated that this system of relief will be extended considerably.

These developments are indeed significant and very encouraging, but it is hoped that they are only a beginning.



ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: AMREP, Algiers
DATED: June 16, 1944
NUMBER: 1905

SECRET

From War Refugee Board to Chapin

Please deliver the following message to Joseph Schwartz,
c/o American Legation, Algiers, from Moses A. Leavitt of the
American Jewish Joint Distribution Committee:

"Please keep in touch James Mann, American Legation,
Lisbon regarding possibility your meeting him Algiers.
Hirschmann Katzki en route Turkey where we assume you
will meet them prior to your returning here for
consultation. Harry Greenstein now Cairo."
THIS IS WEB ALGIERS CABLE NO. 24.

HULL

BMK - 124
Distribution of
true reading only by
special arrangement.
(SECRET W)

Algiers

Dated June 16, 1944

Rec'd: 10:15 p.m.

Secretary of State,
Washington.

2044, June 16, 6 p.m.

FOR WAR REFUGEE BOARD FROM ACKERMAN NO 32

Plan to move refugees on convoy GUF 12. Other
arrangements under way here. Leaving for Italy soonest.
Until I advise you otherwise repeat all messages for me
to American Consulate Naples. Advise urgently whether
approximately 1000 means we can go to 1100 or even
higher.

CHAPIN

WSB CSB

GEM-119
Distribution of
true reading only by
special arrangement
(SECRET W)

Algiers

Dated June 16, 1944

Rec'd 10:12 p.m.

Secretary of State,

Washington.

2045, June 16, 7 p.m.

FOR WAR REFUGEE BOARD FROM ACKERMANN NO. 31

Saw Hirschmann on way through today who gave me
Dubois message as to speed, type and other related
matters movements refugees.

CHAPIN

BB

RR

HIS-110
Distribution of
true reading only by
special arrangement.
(SECRET W)

Algiers

Dated June 16, 1944

Rec'd 9:30 p.m.

Secretary of State,
Washington.
2046, June 16, 4 p.m.

FOR WAR REFUGEE BOARD FOR LEAVITT JDC FROM
ACKERMANN FROM SCHWARTZ

Spoke Hirshman here who convinced rescue from
Balkins should continue even without safe conduct. Do
(*)nd Julius Simon now Lisbon agree. Dobkins asks
we advance immediately \$125,000 to be made available
Swiss francs Switzerland which will be in place \$48,000
monthly grant relief Palestine. We recommend this
but you must be prepared advance further sum up to
amounts mentioned previous cable or arrange participation
other sources.

CHAPIN

RR WSB

(*) apparent omission

AIRGRAM

SECRET

A-589

June 16, 1944

6:20 pm

AMERICAN EMBASSY

BUENOS AIRES

The following instructions has been sent to the American Embassies in certain of the other American republics:

"In support of the program of the Department and the War Refugee Board which has been the subject of instructions by airgram to the Embassies in various of the American republics, the Emergency Advisory Committee for Political Defense at Montevideo on May 31, 1944 adopted upon the recommendation of the United States member a resolution favoring, subject to essential reservations regarding security, the exchange of German nationals in this hemisphere against certain persons belonging to the oppressed peoples of Europe who bear documents issued by or in the name of the American republics or other non-European states reflecting a right of admission to or protection by such republics or states.

"The Department feels that it is essential to proceed as quickly as possible with the presentation to the German Government of concrete proposals based upon the Resolution in question and hopes that the government to which you are accredited, which has presumably by this time received official notification of the Resolution from the Committee, will be willing to join in this common program with the other American republics and this Government. The Department will be glad to learn of any initiative taken by the government to which you are accredited to implement this desirable step in strengthening the common front against the Axis.

"A suggested translation of the Resolution was sent you on June 3 under cover of a letter signed by Mr. Sanders, the representative of the United States on the Emergency Advisory Committee for Political Defense. The Department is sending you in the near future a copy of the official translation of this document. There will also be sent you in the near future an instruction outlining certain points of action in respect to the program on which your report is desired."

HULL

aec

SWP:ANC:EB

6-14-44

ARA

WRE

AIRGRAM

SECRET

A-243

AMERICAN EMBASSY

June 16, 1944

LA PAZ

The following instruction has been sent to the American Embassies in certain of the other American republics:

"In support of the program of the Department and the War Refugee Board which has been the subject of instructions by airgram to the Embassies in various of the American republics, the Emergency Advisory Committee for Political Defense at Montevideo on May 31, 1944 adopted upon the recommendation of the United States member a resolution favoring, subject to essential reservations regarding security, the exchange of German nationals in this Hemisphere against certain persons belonging to the oppressed peoples of Europe who bear documents issued by or in the name of the American republics or other non-European states reflecting a right of admission to or protection by such republics or states.

"The Department feels that it is essential to proceed as quickly as possible with the presentation to the German Government of concrete proposals based upon the Resolution in question and hopes that the government to which you are accredited, which has presumably by this time received official notification of the Resolution from the Committee, will be willing to join in this common program with the other American republics and this Government. The Department will be glad to learn of any initiative taken by the government to which you are accredited to implement this desirable step in strengthening the common front against the Axis.

"A suggested translation of the resolution was sent you on June 3 under cover of a letter signed by Mr. Sanders, the representative of the United States on the Emergency Advisory Committee for Political Defense. The Department is sending you in the near future a copy of the official translation of this document. There will also be sent you in the near future an instruction outlining certain points of action in respect to the program on which your report is desired."

HULL

sec

SWP:AEC:BB 6-14-44

AIRGRAM

AMERICAN EMBASSY
SAN JOSE, COSTA RICA
DATED: June 16, 1944
Rec'd. June 20, 10 a.m.

CONFIDENTIAL

SECRETARY OF STATE
WASHINGTON

A-390 of June 16, 1944 10 a.m.

The Embassy has discussed the question reported in my confidential Airgram no. 375 of June 10, of Costa Rica's receiving refugee children with Senor MENDEZ, head of the Patronato Nacional de la Infancia, a semi-official agency charged with the care of orphaned children.

Senor Mendez stated that his organization would be able, under certain conditions, to place one thousand children in private homes in Costa Rica and might itself be able to take a smaller quota. He wished to know, however, before the Costa Rican Government makes a formal commitment, whether assurances could be given that the children would remain permanently in Costa Rica, for he said that many private families would be reluctant to accept children who might be returned to Europe after the war.

He stated that the expenses of any children so accepted would be taken care of by the families concerned, but that the War Refugee Board would have to undertake transportation expenses. Should the Patronato take some children, all expenses would have to be paid, for the budget is not large.

If the Department can assure the children's permanency in Costa Rica, it is believed that the Costa Rican Government will be agreeable to receiving as many children as Senor Mendez recommends.

DES PORTES

848

LDW-mm

AIRGRAM

FROM Embassy

Habana

Dated June 16, 1944

Rec'd June 20, 8 a.m.

Secretary of State,
Washington.

A-1294, June 16, 9:35 a.m.

Reference is made to Department's airgrams A-898 of May 31, 7 p.m. and A-968 of June 10, 4:50 p.m.

Representations referred to in Embassy's airgram A-1071, May 19, 3 p.m. made by the Cuban Embassy in Madrid were primarily concerned with the return of deportees to Vittel. However, after further consultation today with the Minister of State on the entire matter raised in the Department's airgram A-738 of May 3 and circular airgram of May 11, he has informed me orally that instructions, similar to the communication given by the Cuban Government to the Netherlands Embassy in Washington (see Embassy's airgram A-1127, May 26, 9:20 a.m.) will be given to the Cuban Embassy in Madrid--namely to request the protecting power to inform the German Government that the Cuban Government would not permit the validity of any of its passports to be questioned by the Germans. The Minister assured me that, as in the case of the above-mentioned communication to the Netherlands Embassy, no mention would be made by the Cuban Embassy in Madrid of the Minister's previously made oral reservation to me, namely that, if conclusive proof were presented regarding the falsification of a Cuban passport, he could not insist upon its recognition since to do so might endanger the holders of legitimate passports. The Minister added that no reference would be made to the possibility that some of the passports in question might be falsified.

The Minister also said that he would instruct the Cuban Embassy in Madrid to have the protecting power request the German Government to accord holders of documents issued in Cuba's name the same treatment that the Germans hope will be received by her nationals in the Western Hemisphere.

The Minister

-2-

SECRET

The Minister also indicated that the Cuban Government is agreeable to all holders of documents issued in Cuba's name being considered exchange material for German nationals held in this hemisphere provided such holders of Cuban passports as the Cuban Government desires be sent to havens elsewhere than Cuba.

The foregoing represents the positive action taken on the matter by the Minister of State who I feel has been as cooperative as could be expected, particularly since the Cubans are, of course, primarily interested in repatriating their own bona fide nationals.

BRADEN

711
EMH/gch

GAR - 280

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

Cairo

Dated June 16, 1944

Rec'd 12:04 p.m., 17th

Secretary of State.

Washington

1642 June 16, 7:00 p.m.

FROM HIRSCHMANN TO FEHLE WAR REFUGEE BOARD

En route through Algiers by arrangement Ackerman met me at airport when I informed him of instructions telephoned me for him by Dubeis and for your information Ackerman is apparently getting necessary cooperation in his debarkation program. Your strong support last week was inordinately effective.

Regarding Hungary Karakash in Algiers has submitted through Ackerman suggestions which may be helpful. It may be desirable to consider Karakash for practical assistance in that situation in Istanbul.

I am proceeding by first plane. Expect to arrive in Ankara late Monday the 19th where I hope to consult with Ambassador Steinhardt.

TUCK

WSB NPL

PLAIN

London

Dated June 16, 1944

Rec'd 3:15 a.m., 17th

Secretary of State
Washington

4832, Sixteenth

Reference is made to request from Mr. Pehle of War Refugee Board to Sir Herbert Emerson of the Inter-Governmental Committee on Refugees for information as to present status of credit scheme forwarded by Department's 4744, fifteenth. Prior to delivery to Sir Herbert of this message I received a letter from him dated June sixteenth referring to a previous letter of his dated March 10th which enclosed three memoranda containing information and proposals of great importance with regard to rescue and preservation activities inside enemy controlled territory. Sir Herbert states that identical material was supplied at the same time to the British Foreign Office and that the British Government communicated with the United States Government on this subject in the form of an aide memoire. He adds that during his visit to Washington in April the matter was thoroughly discussed with representatives of the Department of State and the War Refugee Board and that he made certain suggestions along the line of which it was understood by him the American Government would reply to the British Government as soon as the President's approval had been obtained for the War Refugee Board's recommendation that operational funds of \$1,800,000 be allocated to the board for the Inter-Governmental Committee in addition to the \$200,000 already paid by the American Government to the Committee early this year.

Sir Herbert states he understands the President's approval was notified to the State Department May 15th and that when vice Director Malin left Washington late in May the American Government's reply to the British Government was being drafted.

Sir Herbert concludes:

Since, however, no word has yet been received by our office or the British Foreign Office and since the matter is of the greatest importance and urgency May I take the liberty of asking Your Excellency's advice as to the proper way of expediting the reply?"

The three memoranda referred to by Sir Herbert were forwarded to the Department in Embassy's despatch 14413, March 11 th.

Under the circumstances outlined the

Inter-Governmental

Regraded Unclassified

-2- #4832, Sixteenth, From London

Inter-Governmental Committee is not able at present to reply to Mr. Pehle's inquiry. Instructions of the Department would therefore be appreciated.

WINANT

MEV
ECB

AIRGRAM

SECRET

A-189
5:55 PM

June 16, 1944

AMERICAN EMBASSY
SAN SALVADOR

Department's airgram no. A-171, June 5.

There is being sent to the American Embassies in certain of the other American republics the following circular airgram:

"In support of the program of the Department and the War Refugee Board which has been the subject of instructions by airgram to the Embassies in various of the American republics, the Emergency Advisory Committee for Political Defense at Montevideo on May 31, 1944, adopted upon the recommendation of the United States member a resolution favoring, subject to essential reservations regarding security, the exchange of German nationals in this Hemisphere against certain persons belonging to the oppressed peoples of Europe who bear documents issued by or in the name of the American republics or other non-European states reflecting a right of admission to or protection by such republics or states.

"The Department feels that it is essential to proceed as quickly as possible with the presentation to the German Government of concrete proposals based upon the Resolution in question and hopes that the government to which you are accredited, which has presumably by this time received official notification of the Resolution from the Committee, will be willing to join in this common program with the other American republics and this Government. The Department will be glad to learn of any initiative taken by the government to which you are accredited to implement this desirable step in strengthening the common front against the Axis.

"A suggested translation of the Resolution was sent you on June 3 under cover of a letter signed by Mr. Sanders, the representative of the United States on the Emergency Advisory Committee for Political Defense. The Department is sending you in the near future a copy of the official translation of this document. There will also be sent you in the near future an instruction outlining certain points of action in respect to the program on which your report is desired.

SWP:AGC:BB

6-14-44

ARA

WRB

Regraded Unclassified

JUN 16 1944

Your Excellency:

Mr. John W. Pehle, Executive Director of the War Refugee Board has shown me the statement which you prepared regarding the situation in Hungary for use by the Office of War Information.

Your statement impressed me very greatly and will be of inestimable help in our program.

I want you to know that your generous cooperation is very highly appreciated.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Most Reverend Francis Spellman,
477 Madison Avenue,
New York, New York.

JWP:mg 6/15/44

SECRET

AIRGRAM

FROM

Managua

Dated June 16, 1944.

Rec'd June 23, 8a.m.

Secretary of State,
Washington.
A-249, June 20, 10:30 a.m.

Department's airgram no. 204 of June 10, 1944,
5 p.m.

Please refer to the Embassy's airgram no.177,
dated April 25, 10:30 a.m. On April 22, the Nicaraguan
Foreign Office dispatched the following telegram to
the Swiss Foreign Office:

"I request Your Excellency to address himself
to the German Government asking that international
conventions covering prisoners of war be applied
to all internees in concentration camps who are
the bearers of Nicaraguan passports. Accept, etc."

It is believed that the above-quoted telegram substantially
fulfills the Department's wishes.

STEWART

801.2
HDF/gp

NO. 1217

AMERICAN CONSULATE GENERAL

Jerusalem, Palestine,
June 16, 1944.

Unrestricted.

Subject: Transmitting Proclamation concerning rescue
of Jews.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to enclose a copy of a Proclamation issued by the Elected Assembly (Assefat Ha Navkharim) relating to the rescue of European Jewry.

A general convention, composed of members of the Elected Assembly, the Chief Rabbinate, the Executive of the Jewish Agency and representatives of the local communities and Jewish local authorities, was called by the Executive of the Vaad Leumi on June 5th. The object was to call upon the Yishuv and Diaspora to rise and rouse the nations of the world to rescue the Jews in Hungary and in other Balkan States.

Respectfully yours,

L. C. Pinkerton
American Consul General

Enclosure:

Copy of Proclamation.

File No. 848/800

LCP/ep

Enclosure to despatch No. 1217, dated June 16, 1944,
from the American Consulate General, Jerusalem, Pales-
tine, entitled "Transmitting Proclamation concerning
rescue of Jews".

(COPY)

Proclamation issued by the Alarm Convention
for the Rescue of the Jewish Remnants,
which took place on Monday, the 5th June,
1944, in Jerusalem.

The Nazi-German occupation of Hungary, Rumania and Bulgaria exposes the remnants of European Jewry to the danger of destruction and extermination. A downpour of restrictions and evil decrees has already flooded them, especially the Jews of Hungary. Their property has already been robbed. They have already been rooted out from the economic life, and scores of thousands of Jews have already been taken to the extermination camps in Poland. A million of Jews in Hungary and about 300,000 Balkan Jews are facing extermination, if no one hastens to help them, if no extraordinary efforts are made for their rescue.

The convention of Palestine Jews refuses to believe that the democratic powers, whose strength and power have recently grown, and whose victories are increasing, will not find the effective means to stop the murdering hand, if only their will be equal to their growing power.

The convention of Palestine Jews raises its voice at the last hour, demanding:-

(a) that a last and strict warning be given to the peoples and governments of the Balkans, and first of all to Hungary, that they will be held responsible for the life of the Jews who have still remained alive, and that on the forthcoming day of reckoning the rescue of Jews by them will be taken into account;

(b) that the United Nations should assist in the organization of the escaping of the Jews by all ways and means, and that they should open for them the gates of rescue of the democratic countries and their colonies, and first of all - the gates of Palestine, as well as passages through the neutral countries.

This work of rescue must be done now and not afterwards. Let not the few remnants of European Jewry be abandoned to the fate of Polish Jewry.

- 2 -

And to the Yishuv we say:

At this last hour, when the Nazi axe has been raised over the heads of the last of our brothers, the Yishuv is called upon to make the greatest financial effort in order to increase to the greatest extent the number of the rescued.

Let the Yishuv rally around the Rescue Campaign of the Enlistment and Rescue Fund!

AIRGRAM

SECRET

June 16, 1944

A-187
6:05 p.m.

AMERICAN EMBASSY

ASUNCION

Department's airgram no. A-172, June 6, 1944

There is being sent to the American Embassies in certain of the other American republics the following circular airgram:

"In support of the program of the Department and the War Refugee Board which has been the subject of instructions by airgram to the Embassies in various of the American republics, the Emergency Advisory Committee for Political Defense at Montevideo on May 31, 1944 adopted upon the recommendation of the United States member a resolution favoring, subject to essential reservations regarding security, the exchange of German nationals in this Hemisphere against certain persons belonging to the oppressed peoples of Europe who bear documents issued by or in the name of the American republics or other non-European states reflecting a right of admission to or protection by such republics or states.

"The Department feels that it is essential to proceed as quickly as possible with the presentation to the German Government of concrete proposals based upon the Resolution in question and hopes that the government to which you are accredited, which has presumably by this time received official notification of the Resolution from the Committee, will be willing to join in this common program with the other American republics and this Government. The Department will be glad to learn of any initiative taken by the government to which you are accredited

to implement

- 2 -

to implement this desirable step in strengthening the common front against the Axis.

"A suggested translation of the Resolution was sent you on June 3 under cover of a letter signed by Mr. Sanders, the representative of the United States on the Emergency Advisory Committee for Political Defense. The Department is sending you in the near future a copy of the official translation of this document. There will also be sent you in the near future an instruction outlining certain points of action in respect to the program on which your report is desired."

SWP:ALC:BB 6-14-44 ARA WRB

Cable to Minister Johnson at Stockholm for Olsen from War Refugee Board.

S E C R E T

1. Reference your 2098 to Department, 27 to War Refugee Board, of June 12. Department's 950, War Refugee Board's 10, of May 19 was a message to be delivered to Hilel Storch, Furusundsgaten 10, Stockholm from A. Leon Kubowitzki, World Jewish Congress. You do not indicate whether it was delivered, or your reasons for not delivering it if that is the fact. In any event, would appreciate receiving Bohm report as quickly as possible. With respect to business man about to take trip it might be possible through him to contact apparently appropriate persons confidentially to ascertain whether they are in a position to help. If man in question is utterly reliable you might consider asking him to talk to the following who have been suggested to us as possibilities, although nothing is of course known of their present views or associations. We cannot assure reliability of descriptions given, although we believe them to have been given to us in good faith by persons deeply interested in the problem. Names and descriptions follow. In or near Budapest: (a) Dr. Sandor Ember, member of Parliament who is said to have good connections with various members of present government and to be ready to intervene if well compensated; (b) Kalman Konkoly-Thege, member of Parliament, and wife. Same description minus reference to compensation; (c) Count or Baron Anton Szigrold or Szigray, said to be aristocrat with substantial means who probably is not in sympathy with excesses; (d) Grof Lajos Kalman Tisza said to be broad-minded aristocrat, related by marriage to Horthy and stepson of Ivan Rakovsky, former Interior Minister whom he dislikes; (e) Count Andor Teleki unless recently removed, said to be Chairman Office for Foreign Trade. Said to possess personal influence in many quarters; (f) Margit Schlachta, said to be member of Parliament high in Catholic councils and with much influence in Catholic quarters; (g) Dr. Lajos Huszovsky, said to be member of present government who may be helpful for consideration; (h) Jeno Vasarhelyi, said to be president Kispest Textile Works, Co., in close collaboration with Germans but probably willing to help for compensation and future security assurances; (i) Dr. Bertalan Geocze, said to have good connections with many government people including some ministers and to be trustworthy. In or near Győr: (a) Laszlo Fefes, executive Magyarovar Manure Manufacturing Company, said to know many farmers and to be agile organizer. Said to have operated Jewish labor camp on humanitarian basis and likely to be willing to organize secret refugee for compensation. In or near Szolnok: (a) Gyorgy Vitez Sebo, said to be agent of Shell Oil Co., a good organizer and favorably known to civilian and military officials in district; (b) Dr. Imre Hunyadi, said to be lawyer with close connections with present government. In

- 2 -

or near Miskolca: (a) Dr. Janos Soltesz, said to have good connections with present government although probably not in accord with excesses.

You should, of course, check the foregoing against any information available to you. We have additional names and descriptions which we will forward to you from time to time possibly with no other message.

Advise Board whether exploration of these possibilities can be undertaken by business man. If not, please advise whether other means of exploration possible.

2. Reference Department's 982, War Refugee Board's 12, of May 22, and your 1628 to the Department, of May 8. The following is the substance of a message received from Embassy at Ankara. QUOTE For the information of the board. In discussing today with Barlan of the Jewish Agency the reasons for the decreasing number of Jew refugees arriving in Istanbul by rail from Bulgaria he informed me that the President of the Jewish community in Ruschuk had recently called on the chief of police of Sofia to inquire why exit visas for Jew refugees were being withheld. The Chief of police replied that he had directed the discontinuance of the issuance of exit visas to Jew refugees after receiving a report to the effect that every Jew refugee arriving in Istanbul was being closely questioned by representatives of the British and American Intelligence Services concerning military and other conditions in Bulgaria. UNQUOTE

Perhaps the personage referred to can be of some assistance. Please advise.

THIS IS WRB STOCKHOLM CABLE NO. 30.

June 16, 1944

10, p.m.

214

AMLEGATION,
STOCKHOLM.
1213

The following WRB cable no. 27 refers to your 2009 of June 5 regarding the BARDALAND and is from the Board to Johnson.

The following had been received by the Board from Winant before Board's receipt of your cable:

QUOTE Foreign Office has just informed Embassy that word has now been received that the Germans have refused to grant a safe conduct for the BARDALAND to enable her to evacuate refugees (Embassy's 3857, May 12, 1 p.m., and previous for War Refugee Board). Foreign Office states that it is settled German policy to refuse in every way to facilitate the evacuation of Jews to Palestine and that, therefore, there does not seem to be anything further which can be done in this particular case. Unless War Refugee Board expresses urgently their disapproval, British intend to accept notice of sailing of BARDALAND from Piraeus June 10.

UNQUOTE

The reply to London which was repeated to you as no. 1164 of June 9 was immediately dispatched by the Board. The Board notes, after receipt and consideration your 2009, that German refusal of safe conduct for BARDALAND not (repeat not) attributed to German policy of refusing to facilitate the evacuation to Palestine of the Jews. The basis of the Board's reply to the cable from Winant was of course the apparent view of the British Foreign Office regarding this matter.

The Board, because of opinion of British Foreign Office, desires you to discuss with Swedish Government possibility of reopening with Germans the matter of safe conduct for the BARDALAND on basis of assurances which may be given Germans that refugees evacuated thereon, will not (repeat not) be taken to Palestine but to havens of refuge elsewhere. The Board's conviction that any possibility of obtaining a safe conduct should not be lost merely because of intended destination of the voyage should be explained to the Swedish Government as thereason for this additional request. Other refugee havens can and will be found if the German refusal is based simply upon their opposition to taking refugees to Palestine.

The efforts which the Government of Sweden and the Swedish Red Cross have been making in this matter are greatly appreciated. The results of your conversations on this subject should be reported promptly.

WRB:MMV:KG
6/14/44

NOE

BC

HULL ME
(GHW)

MMS
Distribution of true
reading only by special
arrangement. (SECRET W)

June 16, 1944

11 p.m.

AMLEGATION,
STOCKHOLM.
1214

Delivery of a paraphrase of the following WRB cable 28
to Wilhelm Wolbe, 11 Olefegotten Strasse, Stockholm, is
requested:

QUOTE \$10,000 being sent you. Supreme effort to
contact religious leaders Lithuania through special mes-
senger giving funds to save themselves and communities
should be made. For purpose he can explain make available
\$5,000 to Olsen American Legation. All orthodox forces
Lehman Pinkus others should be mobilized. Detailed reply
urgently requested. Vaad Hahatzala, Abraham Kalmanowitz
UNQUOTE.

For Olsen: WRB 25 to you is referred to and modified
by the above.

HULL

(GHW)

WRB:MMV:KG
6/16/44

NOE

SWP

S/CR

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: June 16, 1944
NUMBER: 2076

CONFIDENTIAL

From War Refugee Board to Minister Harrison, Bern, Switzerland
for McClelland.

Herbert Katski and Ira Hirschmann are en route to Turkey
as representatives of the War Refugee Board. They would
appreciate hearing from McClelland on mutual problems.
McClelland can communicate with them in care of American
Embassy, Ankara.

Please advise Saly Mayer, St. Gallen, about Katski and
also that Katski would like to hear from him. Katski requests
that Mayer advise friends, particularly Gisi Willy Blum
Gurevitch.

THIS IS WEB CABLE TO BERN NO. 47.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: June 16, 1944
NUMBER: 2077

CONFIDENTIAL

From War Refugee Board to Harrison

Please deliver the following message to Saly Mayer, St. Gall, Switzerland, from Moses A. Leavitt of the American Jewish Joint Distribution Committee:

"Please discuss with Sternbuch his cables to rabbinical group here regarding request Rabbi of Neutra for million dollars and request for aid from Freudiger. After discussion with McClelland please advise through Legation Bern possibilities extend increased aid to Jews Hungary. Rabbinical group here most anxious for your cooperation with Sternbuch. We would appreciate being kept currently informed. Misrachi organization here received cable request for \$50,000 from Doctor Issac Rom Zurich Bahnhofstrasse 74 please contact him and advise purposes funds required and your recommendations.

THIS IS WRB BERN CABLE NO. 43.

HULL

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
TO: Secretary of State, Washington
DATED: June 16, 1944
NUMBER: 3843

SECRET

Reference is made herewith to No. 37 from WRB, your cable of June 6, 1944 No. 1945.

1. A note requesting transmission of inquiry to Hungarian Government, as suggested, has been delivered to the Swiss Foreign Office. This note requests an indication of the intentions of Hungary as regards further treatment of Jews with special reference to forced deportations, discriminatory reductions of food rations or adoption of similar measures that amount to mass execution and reminding them of the grave view which the United States takes regarding persecution of Jews and other minorities and the United States' determination to punish those sharing the responsibility in accordance with the March 24 warning by the President.

The Foreign Office has accepted the note as presented and will transmit verbatim as annex to the note to the authorities of Hungary. It has been agreed by the Swiss to report the date of the delivery of the note.

2. It is recommended that the foregoing be given no publicity pending receipt of information of delivery of the note by the Swiss to the Hungarians and that no mention of Swiss intermediary be made should publicity then appear to be advisable.

3. Considering the extremely small number of radio receiving sets in Hungary, dropping pamphlets by plane would be the best method of achieving publicity in Hungary.

HARRISON

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
TO: Secretary of State, Washington
DATED: June 16, 1944
NUMBER: 3854

confidential

Following is for WRB from McClelland.

Reference is made herewith to Department's telegram of May 17, 1944 No. 1721.

In about ten days we hope to send you a report regarding various categories of Yugoslav refugees in Switzerland as data is being assembled but has not been completed as yet.

HARRISON

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
TO: Secretary of State, Washington
DATED: June 16, 1944
NUMBER: 3855

CONFIDENTIAL

Following for WRB from McClelland. From Suwanne Ferriere for International Rescue and Relief Committee.

Reference is made herewith to the Legation's telegram dated April 14, 1944 No. 2340.

It is requested that we be advised as to which Swiss bank was credited with initial transfer of \$75,000 for which special license was issued to Service Social D'Aideaux Emigrants for Spanish refugees in France early in March by Treasury Department. No trace of arrival in Switzerland of any sum can be found.

HARRISON

MMS
Distrubution of true
reading only by special
arrangement. (SECRET W)

June 16, 1944

7 p.m.

AMEMBASSY,
ANKARA.
538

The following is WRB cable no. 54 and refers to Department's 500 of June 2 regarding proposed BARDALAND charter.

Both Winant and Johnson have advised us that authorization use of BARDALAND for refugee evacuation flatly refused by German Government. That the German refusal is prompted by a settled German policy of refusing in any way to facilitate the evacuation of Jews to Palestine is the opinion indicated to Embassy London by British Foreign Office. We have asked Johnson, in view of this statement and of similar past received rumors, to request Swedish Government again to approach the Germans for a safe conduct, assuring the latter that refugees evacuated on the BARDALAND would be removed from Turkey not (repeat not) to Palestine but to other havens of refuge.

We are convinced that other havens of refuge can and must be found by the United States and British Governments if German refusals of safe conduct are actually based on opposition to evacuation of refugees to Palestine. The above action is taken so that accuracy of statements made regarding German attitude may be ascertained. The BARDALAND left Piraeus on June 10 according to our latest information.

HULL
(GHW)

WRB:MMV:KG
6/15/44
S/CR

NE BC

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, Ankara
DATED: June 16, 1944
NUMBER: 539

CONFIDENTIAL

From War Refugee Board to Steinhardt

Please deliver the following message to Reuben Resnik, Istanbul, from Moses A. Leavitt of the American Jewish Joint Distribution Committee:

"Hirschmann returning Ankara Katski also arriving Istanbul soon. We hopeful rescue activities can be expanded and convinced fullest wholehearted cooperation your part with Hirschmann most essential this purpose."

THIS IS WRB CABLE TO ANKARA NO. 55.

HULL

RECT-407

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

Istanbul

Dated June 16, 1944

Rec'd 6:06 p.m., 17th.

Secretary of State,

Washington.

356, June 17, 11 a.m.

Please transmit the following message from Resnik to Leavitt Joint Distribution Committee, New York City.

For almost 7 weeks Ambassador has been making efforts to secure a favorable rate of exchange. The matter is not finally settled but looks doubtful. He has also agreed to ask Washington to request UKCC to accept our funds notwithstanding the latter's previous rejection. The difficulty with the Socony Vacuum Oil Company suggestion as well as with granting us the rate directly is that there is a law which would have to be modified or violated. In the meantime, I am making necessary purchases on funds that are being advanced to us by Joint friends but foreign currency will have to be sent within the next few days. When you send it, send dollars and we shall convert them here if and when it is necessary at the best possible rate or if another arrangement is worked out we shall return the funds.

BERRY

WMB

EH

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Montevideo
TO: Secretary of State, Washington
DATED: June 16, 1944
NUMBER: 570

SECRET

1. Instructions substantially as suggested in circular airgram of May 11 were cabled to the Uruguayan Minister in Bern yesterday by the Foreign Office.

2. Sparks was orally informed by the undersecretary that the Department's approaching the German Government to initiate negotiations for exchange of nationals for which these people will be eligible is approved by Uruguay.

3. There has not been received from Spain any inquiries regarding validity of documents. No information has been received by Foreign Office of any inquiries made by the Vatican. Should such inquiries be made, persons holding such documents will be presumed to be citizens of Uruguay, their status to be determined at a later date.

4. There have been received from International Red Cross inquiries regarding seven persons at Compiegne and fifteen at Vittel. When made, the reply will indicate that they are presumed to be citizens of Uruguay.

There was a delay in answering the Department's telegram of June 10, 1944 No. 335 because the Foreign Office official handling the matter was ill.

DAWSON

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Montevideo
TO: Secretary of State, Washington
DATED: June 16, 1944
NUMBER: 571

SECRET

With respect to the children mentioned in Embassy's cable dated May 6, 1944, no. 427, Sparks was orally informed by the Undersecretary today that a favorable reply is being drafted.

DAWSON

DCR:VAC 6/19/44

SECRET

A-251

6:30 pm

June 16, 1944

AMERICAN EMBASSY

MONTEVIDEO

There is being sent to the American Embassies in certain of the other American republics the following circular airgram:

"In support of the program of the Department and the War Refugee Board which has been the subject of instructions by airgram to the Embassies in various of the American republics, the Emergency Advisory Committee for Political Defense at Montevideo on May 31, 1944 adopted upon the recommendation of the United States member a resolution favoring, subject to essential reservations regarding security, the exchange of German nationals in this Hemisphere against certain persons belonging to the oppressed peoples of Europe who bear documents issued by or in the name of the American republics or other non-European states reflecting a right of admission to or protection by such republics or states.

"The Department feels that it is essential to proceed as quickly as possible with the presentation to the German Government of concrete proposals based upon the Resolution in question and hopes that the government to which you are accredited, which has presumably by this time received official notification of the Resolution from the Committee, will be willing to join in this common program with the other American republics and this Government. The Department will be glad to learn of any initiative taken by the government to which you are accredited to implement this desirable step in strengthening the common front against the Axis.

Montevideo
A-251

- 2 -

"A suggested translation of the Resolution was sent you on June 3 under cover of a letter signed by Mr. Sanders, the representative of the United States on the Emergency Advisory Committee for Political Defense. The Department is sending you in the near future a copy of the official translation of this document. There will also be sent you in the near future an instruction outlining certain points of action in respect to the program on which your report is desired."

SWP: WEC:BB G-14-44 ARA WRB

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

228
DIVISION OF
COMMUNICATIONS
AND RECORDS

NMC-830

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

Canberra

Dated June 16, 1944

Rec'd 6:50 p.m.

Secretary of State,
Washington.

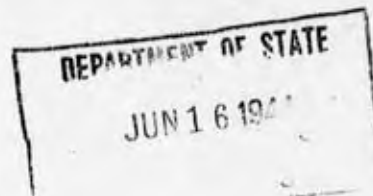
72, June 16, 2 p.m.

My 69, June 13, 2 p.m.

Government today also designated Bridgen
delegate to Monetary Conference. Please reserve
additional single room.

JOHNSON

WSB
BB



DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

DIVISION OF ²²⁹
COMMUNICATIONS
AND RECORDS

HMK-59

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

Rio de Janeiro

Dated June 16, 1944

Rec'd 6:55 p.m.

Secretary of State,

Washington.

2198, June 16, 3 p.m.

- Minister of Finance states official Brazilian
delegates to the Monetary conference will be:

One. Arthur de Souza Costa, Minister of Finance.

Two. Dr. Francisco Alves dos Santos Filho, Dir-
ector of Exchange Bank of Brazil.

Three. Dr. Octavio Bulhoes, Chief of the division
of Economic and Financial Studies, Ministry of Finance.

Four. Dr. Eugenio Gudín, member of Economic and
Financial Council and of the Economic planning committee.

Five. Dr. Victor Azevedo Bastian, Director of
Banco de Provincia do Rio Grande do Sul and close friend
of Finance Minister.

Six. Senhor Valentim Boucas, member of the Commis-
sion to Control the Washington Agreements, who is now in
the United States.

The first three named and Boucas have been in
Washington on official business and are known to the
Department and Treasury Department. Doctor Gudín is

one of Brazil's



-2- #2198, June 16, 3 p.m., from Rio de Janeiro
one of Brazil's outstanding economists. The Embassy
regards this delegation as an unusually outstanding one,
containing as it does Brazil's best-informed leaders in
the monetary and financial field.

Technical assistants to the foregoing will be:

One. Doctor Aginaldo Boulitreau Fragoso, As-
sistant to the Minister of Foreign Affairs, will be
responsible for protocol matters and will serve as
technical assistant.

Two. Senhor Daniel Maximo, private secretary
to the Finance Minister.

With reference to my telegram No. 2179 June 15, 2 p.m.,
Finance Minister has requested Mrs. Gudin to accompany
her husband in view of his fragile state of health.
Accommodations listed my telegram under reference should
be modified in order to provide a double room for the
Gudins.

Please request State Department representative Miami
to assist Brazilian Consul there to obtain necessary
Pullman accommodations leaving Miami for Washington June
28 including compartments for Minister of Finance and
Mr. and Mrs. Gudin and lower berths for other persons.

CAFFERY

JT WTD

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

231
DIVISION OF
COMMUNICATIONS
AND RECORDS

HM-902

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

Chungking

Dated June 16, 1944

Rec'd. 11:15 a.m.

Secretary of State

Washington

1046, June 16, noon.

FOR (?) (?) NATIONAL CITY BANK, 55 WALL STREET,
NEW YORK FROM ARNOLD.

DEPARTMENT OF STATE
DIVISION OF

JUN 17 1944

COMMUNICATIONS
AND RECORDS

Subject revision Monetary Commission will consist
of H. H. Kung, Y. C. Koo, Tsu Yee Pei, K. K. Kwok,
C. T. Chi and others and will leave shortly. Please
entertain. Arthur Young, Ted Acheson already left.
Suggest contact latter through Bill Simmons.
Reliably informed British working on scheme to
permit British banks sell at unofficial rates.
Trust this same privilege not extended them sale
American exchange.

GAUSS

REP
WSB

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

DIVISION OF ²³²
COMMUNICATIONS
AND RECORDS

CONFIDENTIAL

For security reasons the
text of this message must
be closely guarded.

MLC-951

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

Chunking via Navy

Dated June 16, 1944.

Rec'd 1:10 p.m.
DEPARTMENT OF STATE
DIVISION OF

COMMUNICATIONS
AND RECORDS

Secretary of State,
Washington.

1048, June 16, 2 p.m.

TO SECRETARY OF TREASURY FROM ADLER.

Dr. Kung taking delegation of 20 from China
to attend forthcoming conference consisting of
following: Counsellors: Y. C. Koo, Vice Minister
Finance, P. Y. Tan, Vice Minister Economics,
Victor Hu Vice Minister Foreign Affairs; technical
experts: Dr. Chi, General Secretary Foreign Ex-
change Control Commission (re your 811, June 12),
Tsu Yee Pei, General Manager Bank of China, K. K.
Kwok, General Manager Central Bank, C. L. Tung,
Assistant Manager Foreign Trade Commission, Henry
Lin, Head Printing Department Central Trust,
Y. C. Wang, Central Bank, Arthur Young, Financial
Advisor Chinese Government; Attaches: C. F. Kuo,
Deputy Postmaster, C. H. Chen, Counsellor Ministry
of Food, C. H. Hsia, Counsellor Executive Yuan,

W. Y. Hu,

Regraded Unclassified

-2-#1048, June 16, 2 p.m., from Chunking via Navy

W. Y. Hu, Section Head Monteary Bureau Ministry
Finance; remainder delegation consists of one medical
officer, four secretaries and one assistant.

GAUSS

JT
WTD

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

DIVISION OF ²³⁴
COMMUNICATIONS
AND RECORDS

RECT-75

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

Cairo

Dated June 16, 1944

Rec'd 7:08 p.m.

Secretary of State,
Washington.

1645, June 16, 8 p.m.



Authorization requested to issue appropriate
section three (one) visas to members of Egyptian
delegation to Monetary and Financial Conference
(my 1580 of June 10, 6 p.m. and 1607 of June 14, 9 a.m.).
Delegation scheduled to leave Cairo June 20.

TUCK

CAW
WTD

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

DIVISION OF
COMMUNICATIONS
AND RECORDS

235

VLT-177

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

Caracas

Dated June 16, 1944

Rec'd 12:48 a.m., 17th

Secretary of State,
Washington.

US URGENT.

626, June 16, 7 p.m.



Foreign Minister has just informed me in official communication that Venezuelan Government accepts with great pleasure President Roosevelt's invitation to participate in the monetary and financial conference in the United States beginning July 1.

Venezuelan delegation will be composed of (one) Rodolfo Rojas, Minister of Hacienda, head of the delegation, (two) Dr. Cristobal L. Mendoza, representative of the National Banking Council (three) J. J. Gonzalez Gorrondona, representative of the Central Bank of Venezuela (four) Dr. Alfonso Espinoza, President of the Permanent Committee of Finance, Chamber of Deputies and (five) Dr. Manuel Perez Guerrero, Chief of the Office of the Committee for the Study of Post-war Questions, who will act as secretary of the delegation.

The delegation will require four bedrooms, one for the head of Folger, two for the four delegates including the secretary

-2- #626, June 16, 7 p.m., from Caracas

secretary and one for the stenographers (female). In addition two offices will be required, one for work and the other for conference purposes.

Refer to Department's circular May 25, 5 p.m., and June 3, 6 p.m. and my telegram 611, June 13, 11 a.m.

CORRIGAN

EMB

COPY NO. 11

SECRETOPTEL No. 197

Information received up to 10 a.m., 16th June, 1944.

1. NAVAL

14th/15th. In channel MTB's attacked southbound convoy of 5 ships, 600 ton gun coaster sunk, large tug set on fire and trawler damaged.

15th. One of H.M. Frigates sunk by U-boat S.W. of LIZARD; another of H.M. Frigates torpedoed S.E. of PORTLAND BILL. In Beach approach area 1 LST damaged by aircraft torpedo and another by mine.

15th/16th. One of H.M. Frigates engaged E-boats in Channel.

WEST AFRICA. 13th/14th. One of H.M. A/S Trawlers torpedoed and sunk by U-boat.

2. MILITARY

N.W. FRANCE. To 12 noon, 15th. Heavy and confused fighting continued in MONTEBOURG area and N.W. of QUINEVILLE patrols reached line of River SINOPE. U.S. forces made good progress west of CARENTAN and reached within 2 miles of ST. SAUVEUR LE VICOMTE.

On British Army front, heavy enemy tank attacks in CAUMON-TILLY SUR SEULLES sector repulsed. Enemy still hold a strong point at DOUVRES behind our lines, which maintains W.T. communication with enemy. Enemy forces engaged probably include - on British front 4 Panzer Divisions, parts of 3 Infantry Divisions and remnants of Static Divisions; on U.S. front - 1 Panzer Division, 1 Parachute Division, 4 Infantry Divisions, plus remnants of Static Divisions.

ITALY. Allied forces have advanced north of TERNI and ORVIETO and have reached TODI, AQUAPENDENTE and SCANSNO.

3. AIR OPERATIONS

WESTERN FRONT. 14th/15th. 1,809 tons dropped in 2 attacks on HAVRE Port area where 10 E-boats and 3 Torpedo boats had been previously located and which did not operate subsequently that night. 1,598 tons also dropped on troop concentrations and 1,084 tons on railway communications.

15th. U.S. Heavies attacked Misburg Oil Refinery, Angouleme Explosive Works, 12 communication targets N.E. and W. FRANCE, 9 airfields in N. FRANCE and military objectives in N. FRANCE. 617 medium and fighter bombers attacked targets behind assault area. 366 aircraft carried out armed reconnaissances and 697 Spitfires carried out beach cover patrols. Escorted Beaufighters effectively attacked a convoy off the Frisian Islands.

15th/16th. Aircraft despatched: BOULOGNE 297, VALENCIENNES 113, LENS 111, Fuel dump near POITIERS 114, Fuel depot near RENNES 113, GELSENKIRCHEN 31, Bomber Support 34, sea-mining 11. Up to 7 a.m. 16th, about 135 pilotless aircraft, many flying at a thousand feet, together with 5 ordinary aircraft, operated in four phases against Greater London and Southeast England. Casualties so far reported - 6 killed, 47 seriously and 28 slightly injured, with approximately 290 unclassified.

June 17, 1944

Last night I phoned Miss Tully and asked her to find out from the President whether it would be all right for me to say in my speech in Chicago that if the Germans thought they were losing, there was the danger of the German General Staff's wanting to sue for peace while the fighting was still on French, Italian and Finnish soil, and to warn the American people against this. I would also say that in this way the Germans could save their Army and be ready for another war in the next generation.

This morning Miss Tully called me, and told me that the President said this was full of dynamite, but that I should put it up to Cordell Hull.

I called up Cordell Hull and put it up to him, and he said it was all right, provided I would weave this into a statement that the Germans might also undermine our post-war peace organization. I asked him if he would have some one write out just what he wanted me to say, and send it over to Fitzgerald before five o'clock .

I then called Grace Tully back and told her about my conversation with Hull, and I said I would send her what Hull gives me in writing, and she will again take it up with the President.

6/17/44

OFFICE OF
THE SECRETARY OF THE TREASURY

Secy Hull Called me
at 1225 -

Asked that Mr. Morgenthau
be advised that anything
he would say in his
Chicago speech along
the lines of his inquiry
(advising against accept-
ance of premature peace
proposals by Germany)
would meet Mr. Hull's
approval. Therefore, the
Secretary of State will
not send over a
written statement.
E. J. Fitzmaurice

June 17, 1944

Miss Tully phoned me this morning and said that the President does not want Sam Rosenman to go to the Monetary Conference because he isn't well enough. Miss Tully will let Sam Rosenman know.

(Above message phoned to Glasser today, June 17th, for transmission to Mr. White).



TREASURY DEPARTMENT

WAR SAVINGS STAFF

OFFICE OF STATE ADMINISTRATOR

June 17, 1944

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

My dear Mr. Morgenthau:

We express to you our profound gratitude for the kindness and recognition shown us by opening the Fifth War Loan Drive here in Texarkane. Your appearance here was certainly an inspiration to our people and we were proud, indeed, to have you as our guest.

We are hopeful that the war effort will be greatly helped by the occasion, and pledging you our full support in this and all future War Loan Drives, we are,

Respectfully yours,

Bowie Co. War Bond Chairman,

Miller Co. War Bond Chairman.



TO:

242

Mrs Klatz

Secy ask for
a reply for his
signature. I had already
ask. under date of
June 17th in Secy's
absence.

SWB
6/17

Office of the Under Secretary

File
1

JUN 17 1944

Dear Mr. Monnet:

This will acknowledge receipt of your letter of June 11, 1944, addressed to the Secretary of the Treasury and Mr. Mendes-France's letter of May 30, 1944 enclosed therewith.

I would appreciate it if you would convey to Mr. Mendes-France our acknowledgment of the receipt of his letter.

Very truly yours,

(Signed) D. W. BULL

Acting Secretary of the Treasury.

Mr. Jean Monnet,
French Supply Council,
1763 R Street, N. W.
Washington, 9, D. C.

REPUBLIQUE FRANCAISE
COMITE FRANCAIS DE LA LIBERATION NATIONALE

FRENCH SUPPLY COUNCIL

*Photostats to 244
Messrs. Bell, Whit
& O'Connell - 6/15/44 -*
1763 R STREET, N.W.
WASHINGTON 9, D. C.
TELEPHONE: DECATUR 7935

June 11, 1944

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

My dear Mr. Secretary:

As arranged between us, MR. Mendes-France had left
with me the attached letter regarding our conversations on the rate
of exchange for the franc.

He now asks me from Algiers to hand it to you.

Yours sincerely



Jean Monnet

*Dear Bell:
Please see that White office
prochans ~~ans.~~ ans. for my sig.
Mm.*

REPUBLIQUE FRANCAISE
COMITE FRANCAIS DE LA LIBERATION NATIONALE

245

~~FRENCH SUPPLY COUNCIL~~

1783 R STREET, N. W.
WASHINGTON 9, D. C.

TELEPHONE: DECATUR 7935

LE COMMISSAIRE AUX FINANCES

May 30th, 1944

A-7-5

My dear Mr. Secretary:

I explained to you the difficulties confronting the French Committee of National Liberation in attempting to determine at this time, with any degree of certainty, the appropriate rate of exchange for continental France. In view of these difficulties, the Comite has decided that it would make no attempt to fix a permanent rate until after the liberation of France, when it would be possible to approach the problem with a more complete knowledge of the relevant facts; and when, while the final decision on the value of the French franc naturally remains essentially a national matter, it is hoped that an appropriate international organization or international accord will provide the proper setting or framework within which final adjustment can be successfully undertaken. Therefore, the Comite has determined to extend the rate now in force in the territories placed under their authority to continental France as a provisional measure upon the Allied landing in France.

In view of the necessity to move as rapidly as possible from a transitional to a stable economy and in view of the importance that an international organization or accord would play in making this possible, it is strongly urged that such international organization or accord be consummated in the briefest possible time.

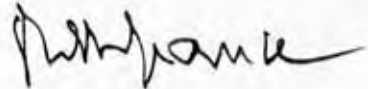
This will confirm my statement to you that, in view of the provisional character of the initial dollar-franc rate of exchange for continental France, the Comite wishes to make clear to you its intention that any computation, in terms of the rate now in force in French territories, of the dollar equivalent of the franc used by the United States in continental France prior to the establishment of the permanent rate referred to above, should be only a provisional computation. It is the intention

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

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of the Comite that in any over-all financial settlement between France and the United States, the rate of exchange between the United States dollar and the French franc used for the final computation in such settlement should be equitably adjusted, giving particular consideration to the rate of exchange finally established, as indicated above, after the liberation of continental France. Any payments made by the United States prior to the fixation of that rate should be adjusted accordingly.

Very truly yours,



Report of the War Refugee Board
for the Week of June 12 - 17, 1944

TEMPORARY HAVENS FOR REFUGEES IN THE UNITED STATES

On June 12 President Roosevelt addressed a message to Congress explaining in detail the necessity for his recent decision to establish an Emergency Refugee Shelter in this country to which 1,000 refugees -- for the most part, women and children -- are to be brought from southern Italy.

"Congress has repeatedly manifested its deep concern with the pitiful plight of the persecuted minorities in Europe whose lives are each day being offered in sacrifice on the altar of Nazi tyranny," the President's message began.

"This Nation is appalled by the systematic persecution of helpless minority groups by the Nazis. To us the unprovoked murder of innocent people simply because of race, religion or political creed is the blackest of all possible crimes"

Reviewing the efforts of this Government to alleviate the condition of persecuted peoples throughout enemy Europe, the President's message paid tribute to the "direct and forceful attack on the problem" made by the Board since its inception, including not only the successful evacuation of refugees from enemy territory, but also the adoption of many measures to protect the lives of those who have not been able to escape.

"Above all," the message asserted, "the efforts of the Board have brought new hope to the oppressed peoples of Europe. This statement is not idle speculation. From various sources, I have received word that thousands of people, wearied by their years of resistance to Hitler and by their sufferings to the point of giving up the struggle, have been given the will and desire to continue by the concrete manifestation of this Government's desire to do all possible to aid and rescue the oppressed.

"To the Hitlerites, their subordinates and functionaries and satellites, to the German people and to all other peoples under the Nazi yoke, we have made clear our determination to punish all participants in these acts of savagery. In the name of humanity we have called upon them to spare the lives of these innocent people.

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"Notwithstanding this Government's unremitting efforts, which are continuing, the numbers actually rescued from the jaws of death have been small compared with the numbers still facing extinction in German territory. This is due principally to the fact that our enemies, despite all our appeals and our willingness to find havens of refuge for the oppressed peoples, persist in their fiendish extermination campaign and actively prevent the intended victims from escaping to safety.

"In the face of this attitude of our enemies we must not fail to take full advantage of any opportunity, however limited, for the rescue of Hitler's victims. We are confronted with a most urgent situation

"Recently the facilities for the care of refugees in southern Italy have become so overtaxed that unless many refugees who have already escaped to that area and are arriving daily, particularly from the Balkan countries, can be promptly removed to havens of refuge elsewhere, the escape of refugees to that area from German occupied territory will be seriously impeded Many of the refugees in southern Italy have been and are being moved to temporary refuges in the territory of other United and friendly nations. However, in view of the number of refugees still in southern Italy, the problem could not be solved unless temporary havens of refuge were found for some of them in still other areas. In view of this most urgent situation it seemed indispensable that the United States in keeping with our heritage and our ideals of liberty and justice take immediate steps to share the responsibility for meeting the problem."

The contents of this message have been relayed to key U.S. Missions in both Europe and Latin America. We have asked that efforts be made to give it the widest possible publicity, particularly in Europe.

The London office of the Office of War Information has indicated in this connection that in its broadcasts to enemy-occupied and neutral countries, it has been carrying the story of the President's action in setting up an Emergency Refugee Shelter in this country and has been stressing the significance of this step.

Favorable editorial comment on the new Emergency Refugee Shelter has continued to appear in newspapers throughout the United States, as well as in British papers. We have also received a steady stream of congratulatory letters and telegrams on the President's action.

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OTHER TEMPORARY HAVENS

With respect to the President's suggestion that refugees might be taken to Cyprus, we have learned that the company village of the Cyprus Mines Corporation at Mavrovuni, which was occupied by the British Army for three years, is now vacant. It is estimated that this village could accommodate about 1,500 families. A number of staff houses are also reported to be available.

According to a cable from Ambassador Winant, however, the head of the Refugee Department of the British Foreign Office has asserted that it would be absolutely useless to look to Cyprus for such assistance. The British Government is said to have been informed by the governor of that territory that no more refugees could be accommodated because of the large number of Greek refugees who have fled to Cyprus.

Establishment of Refugee Haven in Tripolitania

We have asked that Winant convey to the British Foreign Office our appreciation of the British Government's agreement to establish on a joint basis a refugee center in Tripolitania.

We are now awaiting British suggestions as to location of the proposed camp and with respect to whatever steps may be necessary to put the camp in condition to receive refugees. We have indicated our earnest hope that this project will now move forward with maximum speed.

As for the question of medical and administrative personnel, we have advised Winant that one possibility is to request the United Nations Relief and Rehabilitation Administration to administer the camp, as in the case of Camp Iyautey. If the British prove agreeable to this suggestion, we would then approach UNRRA representatives in Washington on the matter.

Cooperation of French Committee To Be Solicited

We have advised Ambassador Murphy and Board Representative Ackermann in Algiers of the favorable response of the British to our suggestion that a refugee haven be set up in Tripolitania. The sympathetic position of the British on the matter of moving Jewish refugees from southern Italy to Palestine has also been indicated. Murphy and Ackermann were requested to bring to the attention

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of the French Committee the action taken by the President, as a result of which these affirmative actions on the part of the British were obtained. Our representatives are to explore carefully with the French Committee all possible means by which refugee facilities in the Mediterranean area might be increased.

Evacuations to the Middle East

We have now had a report from the Chief of the Balkan Mission of UNRRA reviewing in detail conditions previously reported by Ackermann. According to this report, in January the Middle East Relief and Refugee Administration, a British organization functioning in that area, prior to the operation of the United Nations Relief and Rehabilitation Administration, was asked to accept responsibility for 20,000 Yugoslav refugees. The Egyptian Government agreed to make accommodations available in Egypt, while a staff, supplies and services were made available by the British Army. A total of 26,000 refugees had actually arrived in Egypt by June. While camp space and supplies are said to have caused no difficulties, obtaining transportation facilities and an adequate medical staff have been serious problems.

In May, according to this report, MERRA was asked to assume responsibility for a total of up to 40,000 refugees. Since MERRA was scheduled to be taken over by UNRRA on May 1, it was necessary to get UNRRA's approval from Washington. This approval was forthcoming on condition that the Army make available the necessary administrative and medical staff, supplies and other services. Although the Army is said to have agreed to this, the actual shortage of doctors has been so great that a sufficient staff could not be made available from Army sources. The flow of refugees will therefore be seriously impeded until more doctors and nurses are made available.

We are therefore continuing to work with UNRRA on this problem of obtaining sufficient medical and nursing personnel, as well as necessary supplies and transportation facilities.

According to Ambassador MacVeagh, through whom this report was transmitted, another question that has arisen is the matter of stateless refugees. Egyptian regulations currently require guarantees of repatriation after the war and thus prevent the evacuation to that country of persons lacking such guarantees. It was stated that while Yugoslav

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Jews are not affected by these regulations, Jews of Hungarian and other enemy origin are so classified by the Egyptians and are accordingly refused admission to camps there.

FOOD AND CLOTHING STOCKPILES IN NEUTRAL COUNTRIES

As a result of persistent efforts on our part, the agreement of the British was obtained last week to transblockade shipments of urgently needed relief supplies destined for civilians in internment camps in enemy Europe. Following recent discussions between Executive Director Fehle, Dingle M. Foot, Parliamentary Under-Secretary of the British Ministry of Economic Warfare, and representatives of State and FEA, an agreement has now been reached with the British to permit the shipment of 100,000 food parcels per month, for a period of three months, for distribution by the International Red Cross to persons in Nazi internment camps.

In addition, and at our suggestion, it was also agreed that 25,000 clothing parcels would be prepared for later distribution to these same people when certain information has been obtained from the International Red Cross on the clothing situation in the camps.

Assurances will be required from the International Red Cross as to distribution to intended beneficiaries and as to adequate supervision to insure no benefit to the enemy, and reports are to be made on the delivery of all consignments.

A memorandum to this effect was drawn up following recent conferences between British and U. S. officials, and was signed by representatives of both Governments. Efforts are being made to get this program under way at once, now that the basic blockade decision has been made.

While the British had proposed that this program be limited to detained persons in what was formerly unoccupied France, at our insistence it was agreed that the proposed measure would not be so limited and that it would apply to any internment camps in Europe selected by the International Red Cross. This three months' program is admittedly experimental. If successful, it is contemplated that this system of relief will be considerably expanded.

SITUATION IN HUNGARY

According to a report from Minister Harrison in Bern, a decree has been issued in Budapest mobilizing into military

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auxiliary labor battalions all Jewish males between the ages of 18 and 48.

Board Representative McClelland subsequently indicated from Bern that in the course of a discussion with Dr. Karl Burckhardt of the International Red Cross, it was learned that Intercross has only one man in Hungary at the present time. This representative is in Budapest in his capacity as Director of the Swiss Chamber of Commerce in Hungary, since it was feared that his going as an Intercross delegate would have delayed his receipt of a German visa. It was reported that, significantly, this representative had not yet been officially accredited as the Intercross delegate to the Hungarian Government.

McClelland reported that Intercross still wishes to enlarge its representation in Hungary and is trying to find a second suitable delegate to send there. It was also reported that Intercross is continuing its efforts to obtain German permission to send its Zagreb delegate to Budapest, at least temporarily.

McClelland also indicated that a purchasing agent sent to Budapest by the Intercross Joint Relief Commission had confidentially been instructed to get in touch with Jewish circles there and examine with them all possible channels of rescue and relief for Jews in ghettos and concentration camps.

Swiss Government To Be Asked To Act

In view of the recent negative response from Intercross in connection with our proposal that the German and satellite governments be approached in an effort to insure more favorable treatment of unassimilated civilian internees in enemy territory, we have suggested to Minister Harrison that he approach the Swiss Government with a request that the Swiss authorities transmit and support such a proposal in the interests of insuring the survival of the helpless victims concerned.

Report from Sweden

We have been advised by Minister Johnson that the Swedish Foreign Office has now been approached in connection with our suggestion that the Swedish diplomatic and consular force in Hungary be increased. According to a Foreign Office spokesman, the Swedish Government is keenly aware of the dangerous position of the Jews in Hungary and has already indicated its anxiety in official representations to the Hungarian Government. A favorable reaction was reported to the suggestion that Swedish representation in Hungary be increased in the hope that it might have some effect in saving the lives of intended victims of the Nazi

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terror, and in obtaining more accurate information with respect to conditions there. It was also reported that the Swedish Government is already considering the possibility of sending food for the relief of those in concentration camps.

In the course of Johnson's discussions with the Foreign Office, it was remarked that the only reason the Swedish Government had consented to receive a representative of the present regime at Budapest was in order to be able to continue Sweden's own representation in Hungary. The Foreign Office promised to make available to Johnson at an early time the substance of an exhaustive report from the Swedish Minister to Hungary concerning the condition of Jews there.

Archbishop Spellman Makes Statement

In response to our request, we have now received from Archbishop Spellman of New York a strong statement designed for dissemination in Hungary as a basic part of our psychological warfare campaign abroad. We have not yet received authority from the Archbishop to use the statement domestically. We have approached him for this permission, however, and are hopeful that it will be forthcoming. The statement reads in part as follows:

"Almost on the feast of Pentecost, the day on which the Church of Christ emphasizes the supranational, supraracial character of her mission, we learned that the government of Hungary had agreed to enforce against the Jewish people a code of discriminatory laws. We were told that this unhappy segment of Israel in Hungary is already being herded into mysterious Ghettos after its homes and its shops had been systematically looted and pillaged.

"This announcement has shocked all men and women who cherish a sense of justice and of human sympathy. It is a direct contradiction of the doctrines of the Catholic Faith professed by the vast majority of the Hungarian people. It is a negation of the noblest pages of Hungarian history and cultural tradition

"It seems incredible, therefore, that a nation which has been so consistently true to the teachings of the Catholic Church should now bow to a false, pagan mysticism of blood and race

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"I cannot believe that a people with such profound Christian faith, with such a glorious history, with the oldest parliamentary tradition on the Continent, will chant a hymn of hatred and willingly submit or countenance tyranny, blood lust and brigandage"

Russian Cooperation Solicited

Ambassador Harriman has reported having addressed a letter to Vyshinski, communicating the text of the stirring appeal addressed by the Senate Foreign Relations Committee to the Hungarian people. Harriman's letter also renewed our request that the Soviet Government issue a statement comparable to the President's declaration on atrocities against the Jews. It was also requested that Soviet radio stations broadcast appropriate messages to Germany and the satellite countries and issue leaflets supplementing any such broadcasts.

Leaflets over Hungary Urged

Board Representative Ackermann has cabled from Algiers that, in his opinion, it would be appropriate at this time to make fuller use of the President's declaration on atrocities against the Jews, particularly by means of pamphlets to be dropped over Hungary, where the greatest number of Jews in occupied territory are now concentrated. Such pamphlets would stress the President's appeal to the Hungarian people to hide Jews or aid their escape. Ackermann also indicated that the OWI in Algiers could give greater coverage to the President's statement if such a directive were received from the OWI in Washington. Accordingly, we are asking OWI cooperation in this matter.

SITUATION IN BULGARIA

In response to our suggestion that the reportedly sympathetic attitude of the Bulgarian Minister to Sweden might be explored in somewhat the same manner as the attitudes of the Rumanian and Bulgarian Ministers in Ankara were explored by Board Representative Hirschmann, Minister Johnson has reported that an informal memorandum was presented along the lines suggested. Johnson was advised that this memorandum is being forwarded to the Bulgarian Foreign Office and that a reply can be expected in due course. Meanwhile an informal response has been received from the Bulgarian Minister stating, in effect, that both the Bulgarian Government and the Bulgarian people have maintained a sympathetic attitude toward Jews. It was asserted

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that the Government of Bulgaria has never turned a deaf ear to humanitarian considerations or to those of tolerance. It was alleged that the air forces of the United States, however, have been engaged in acts of violence and cruelty against the defenseless civilian population in Bulgaria, including the total destruction of the Queen's chateau, which was said to have been far removed from any objective of a military nature and in an isolated location.

The reply concluded with the observation that if a stop could be put to the alleged slaughter of an innocent civilian population, then the Bulgarian Government would undoubtedly be prepared not only to recognize the moral right of this Government to advance humanitarian pleas, but also to approve action consistent with such pleas.

EVACUATIONS TO AND THROUGH TURKEY

In response to Ambassador Steinhardt's recent cable describing as "remote" the possibility that Turkey might be persuaded to agree to accept refugees from Bulgaria without transit visas or other entry permits, we have asked that Steinhardt reconsider the matter. We have pointed out that the problem of refugees arriving by land at the Turkish-Bulgarian frontier differs materially from that of refugees arriving in Turkish waters by boat from Greece or Rumania. Since the latter may leave Rumanian or Greek territory without entering Turkish territory, their departure from Rumania and Greece onto the high seas is not subject to interference by Turkish border guards. Moreover, their applications for transit facilities can be handled on a group or individual basis while their vessels stand safely offshore. Persons seeking to cross the Turkish-Bulgarian border, however, can be prevented from leaving Bulgaria by Turkish border guards where transit visas or other entry permits are lacking. According to reports reaching us, this has not been an infrequent occurrence. Refugees arriving by land at the Turkish-Bulgarian border obviously cannot safely await on the Bulgarian side of the border the outcome of entry procedures.

We have advised Steinhardt that it is for these reasons that the possibility of making such advance arrangements was suggested. We have pointed out that if such arrangements could be made, subject to the speedy routing to Palestine or elsewhere of the refugees concerned, as in the case of sea-borne refugees, then persons escaping over the land route would be placed in a position no less favorable than those arriving by sea.

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Steinhardt has been reminded that other neutral countries adjacent to enemy-controlled areas refrain from barring the entry of refugees lacking entry permits, although such persons are sometimes subjected to technical arrest for illegal entry. If the Turkish Government were to adopt a similar procedure and instruct its border guards accordingly, there is reason to believe that additional lives could be saved, especially if the information were to reach Jews and other persecuted peoples in the Balkans that they would not be turned back at the border.

Sailing of the "Bardaland" from Piraeus

According to word received from Ambassador Winant, our cable urging that acceptance of the "Bardaland's" sailing be withheld by the British pending further attempts to obtain a German safe-conduct was received too late to prevent the vessel's departure from Piraeus on June 10.

In view of the fact that the British Foreign Office attributed the German refusal of safe-conduct for the "Bardaland" to what was described as a settled German policy of refusing to facilitate in any way the evacuation of Jews to Palestine, and because similar rumors have been received in the past, we have asked Minister Johnson to request the Swedish Government to renew its negotiations with the Germans for a safe-conduct, on the assurance that refugees evacuated on the "Bardaland" would be removed from Turkey to havens of refuge other than Palestine. We have taken this action not only because there is still the possibility that use of the "Bardaland" might be arranged despite its departure from Piraeus, but also in order to ascertain the accuracy of the statements that have been made with respect to the German attitude.

Meanwhile Minister Johnson has referred to us from Stockholm a preliminary claim of 80,000 kroner presented by the owners of the "Bardaland" through the Swedish Foreign Office as an estimate of indemnity due them for charter hire covering the period the vessel was tied up at Piraeus. The Swedish Foreign Office is said to feel that such a settlement would be reasonable, particularly in view of the seamen's war bonuses and the war-risk insurance involved.

Number of Refugees from Bulgaria Decreasing

We have been advised by Ambassador Steinhardt that, in the course of a discussion with Barlas of the Jewish Agency about the reasons for the decreasing number of

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Jewish refugees arriving in Istanbul by rail from Bulgaria, he was informed that the president of the Jewish community in Ruschuk had recently called on the Chief of Police of Sofia to inquire as to why exit visas for refugees were being withheld. The Chief of Police is said to have replied that he had directed that the issuance of exit visas to Jewish refugees be discontinued because of a report to the effect that refugees arriving in Istanbul were being closely questioned by representatives of the British and American Intelligence Services concerning military and other conditions in Bulgaria.

Coordination of Rescue Work in Turkey Approved

In response to a suggestion recently advanced by the Turkish Foreign Office, we have communicated to Steinhardt our feeling that differences of opinion between private refugee organizations must not in any way interfere with the basic task of rescuing the largest possible numbers of refugees from enemy territory. We have indicated our earnest hope that Hirschmann and the Embassy will be able to coordinate and supervise all rescue activities in Turkey, as the Foreign Office has suggested, to the extent necessary to assure that each private refugee organization makes the most effective contribution to the over-all program.

EVACUATIONS TO AND THROUGH SPAIN

In accordance with the State Department's instructions, Ambassador Hayes has returned as unused the quota numbers for 332 U. S. visas which were to have been granted during the month of May to refugee children reaching Spain from France.

Removal of Refugees to North Africa

Ackermann has informed us that a ship is now definitely scheduled to arrive in Spain on June 20 for the purpose of evacuating the refugee group destined for Camp Lyautey. In addition to the assistance of the War Shipping Administration representative successfully enlisted by Ackermann following cancellation of an earlier sailing date, Ambassador Murphy has taken up the matter with the Commander of Naval Forces in the Mediterranean Area, pointing out the unfortunate results of any further delay. Murphy has indicated that the ship will now proceed as scheduled unless extremely urgent operational requirements interfere.

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Ambassador Hayes has meanwhile advised Ackermann that Blickenstaff is proceeding with arrangements necessary in order to embark this group of refugees at Cadiz on the date specified.

EVACUATIONS TO AND THROUGH SWITZERLAND

Rescue and relief activities in France are developing satisfactorily despite numerous arrests among the staffs of organizations carrying on such work, according to a report from Board Representative McClelland. Organizations that have officially been dissolved, but which continue to function, are reportedly maintaining 3700 abandoned children there, in addition to 2,000 placed with private families. It was stated that these numbers are steadily increasing, despite the fact that 450 recently escaped to Switzerland and 50 managed to reach Spain. Relief activities on behalf of the sick and distressed in hospitals were also reported.

It was said that close contacts are being maintained with similar organizations in Belgium maintaining 2500 children, as well as in Holland, where 550 child refugees are being cared for. Similar organizations in Rumania are said to be helping some 2,000 children evacuated from Transnistria, along with several thousand in old Rumania. Efforts are reportedly being made to set up a relief organization in Hungary along the lines of those in France to rescue and sustain the lives of more than 170,000 children who are said to be in great danger there.

Rescue of Christian Refugees from France

The French representative of the American Committee for Christian Refugees has also reported that rescue and relief work in France is being handicapped by arrests. During the past few weeks total arrivals in Switzerland are said to have averaged 60 per day, however, despite the fact that escape from France has become increasingly difficult.

Swiss Hospitalization Proposed for Civilian Prisoners

In a cable to Bern we are indicating that the Friends Service Committee would like to know whether it would be possible to arrange for hospital internment in Switzerland of selected hospitalized or ill civilian prisoners now held in Germany or occupied countries. We are advising McClelland that similar arrangements were apparently worked out during the last war.

- 13 -

EVACUATIONS TO AND THROUGH SWEDEN

Board Representative Olsen has now received the funds whose transmission we recently arranged. Olsen reported that initial advances have been made, and further funds will be supplied against established results and in accordance with the ability demonstrated in carrying out our objectives.

Rescue of Refugees from Finland

Minister Johnson has reported that during the past week the last of some 100 Jewish refugees arrived in Sweden from Finland. It was stated that preliminary arrangements have been made covering the evacuation from Finland of an additional group of 50 Jews of German, Polish, Lithuanian, Russian and Rumanian origin. Johnson indicated that Finnish authorities have already granted permission for the departure of this group, which is said to be comprised of people of advanced age, mostly unemployables.

RESCUE OF JEWS FROM GREECE

Ambassador MacVeagh in Cairo has forwarded another memorandum dealing with the plight of Jews in Greece. This memorandum repeated previous "conservative" estimates to the effect that about 5,000 Jews are still in hiding in Athens.

There is said to be little information available as to the fate of Jews in the provincial towns. Those who have been able to join the Partisans reportedly run less risk of being exterminated by the Germans, who have thus far avoided the systematic pursuit of guerrilla warriors. In order to increase cooperative efforts on the part of native villagers, it was urged that a message be addressed to these people by the Free Greek Government, calling upon them to facilitate the escape of Jewish refugees as a humanitarian measure. It was suggested that such an appeal should be read in the villages, rather than distributed in leaflet form, since leaflets might fall into the hands of the Germans, who would attempt measures of reprisal.

RECOGNITION OF LATIN AMERICAN PASSPORTS

We are asking Harrison and McClelland in Bern to forward to us the list of the names of deportees from Vittel, which was recently furnished by the Swiss Foreign Office. We

- 14 -

are indicating that this list is not to be used for the present for the purpose of investigating nationality claims, but may enable us to take more effective protective action.

We are also asking that Swiss authorities be pressed for action designed to accomplish the return of the Vittel deportees since, to judge from McClelland's reports, the Swiss have not yet actually requested their return. We are pointing out that reports reaching us indicate that the remaining Jews were removed from Vittel in late April or May and that appropriate inquiries and protective steps should be extended to cover any such additional removals.

Honduras

According to a report from our Embassy in Honduras, the Honduran Government has "ignored and had nothing to do with" the Spanish Minister, whose residence is at San Salvador. It was stated that under these circumstances the representations suggested by us in connection with extending protection to holders of Latin American passports do not appear to be practicable.

Paraguay

We have now received a copy of the formal note from the Paraguayan Government agreeing to recognize the validity of Paraguayan passports held by persons now in German concentration camps and authorizing this Government to negotiate an exchange in which persons holding Paraguayan passports would be included. In connection with the proposed exchange, the request was made that preference be given to native Paraguayans.

Nicaragua

According to a report from our Embassy in Nicaragua, the Foreign Office there has been advised by its representative in Madrid that the Spanish Foreign Minister has agreed to use his good offices in the interests of having returned to Vittel any bearers of Nicaraguan passports who may have been removed from there.

J. W. Pehle
Executive Director

cc: Miss Chauncey (For the Sec'y), Mr. Abrahamson, Mr. Akzin, Mr. Bernstein, Mrs. Cohn, Mr. DuBois, Mr. Friedman, Mr. Gaston, Miss Hodel, Miss Laughlin, Mr. Lesser, Mr. Luxford, Mr. Mann, Mrs. Mannon, Mr. Marks, Mr. McCormack, Mr. Pehle, Mr. Sargoy, Mr. Smith, Mr. Standish, Mr. Stewart, Mr. Weinstein, Mr. H. D. White, Files

CABLE TO AMBASSADOR MURPHY, ALGIERS, FOR ACKERMANN FROM PERLE

With respect of the questions raised in section 1 of your 1998 of June 13, please refer to War Department cable No. 50764 dated June 14 to the Commanding General, United States Army Forces, North African Theater of Operations. Please cooperate with the military authorities is carrying out the instructions contained in said cable.

Please advise me of any delays which are encountered.

This is WEB Cable to Algiers No. 25.

June 17, 1944
12:15 p.m.

JED:WJM:bbk - 6/17/44

CABLE TO AMBASSADOR MURPHY, ALGIERS, FOR ACKERMANN FROM FEHLE

Reference is made to section 2 of your 1998 of June 13.

The War Department has inquired numerous times concerning the confirmation of your appointment by the Supreme Allied Commander for the Mediterranean Theater as the Board's special Representative in Italy to be attached to the ACC there. Apparently the delay is caused by the failure of the British to act on your appointment. The War Department will continue to push this matter. Please advise us promptly if your appointment is not confirmed within the next few days.

THIS IS WRB CABLE TO ALGIERS NO. 26.

June 17, 1944
12:20 p.m.

MJM:bbk - 6/17/44

HM - 539

PLAIN

Algiers

Dated June 17, 1944

Rec'd. 12:45 a.m.

Secretary of State

Washington

2059, Seventeenth,

FOR WAR REFUGEES BOARD FOR LEAVITT JDC FROM
ACKERMANN.

No. 34 from Schwartz.

Due new regulations cannot visit James Mann from
here now since do not have diplomatic or special
passport. Therefore planning leave for Cairo next
days. Meanwhile Pilpel conferring with Mann.

CHAPIN

June 17, 1944
9:10 A.M.

CIRCULAR

TO AMERICAN EMBASSIES
IN ALL THE OTHER AMERICAN REPUBLICS
EXCEPT: SAN SALVADOR, MONTEVIDEO, ASUNCION
LA PAZ, BUENOS AIRES.

In support of the program of the Department and the War Refugee Board which has been the subject of instructions by airgram to the Embassies in various of the American republics, the emergency advisory Committee for Political Defense at Montevideo on May 31, 1944 adopted upon the recommendation of the United States member a resolution favoring, subject to essential reservations regarding security, the exchange of German nationals in this Hemisphere against certain persons belonging to the oppressed peoples of Europe who bear documents issued by or in the name of the American republics or other non-European states reflecting a right of admission to or protection by such republics or states.

The Department feels that it is essential to proceed as quickly as possible with the presentation to the German Government of concrete proposals based upon the Resolution in question and hopes that the government to which you are accredited, which has presumably by this time received official notification of the Resolution from the Committee, will be willing to join in this common program with the other American republics and this Government. The Department will be glad to learn of any initiative taken by the government to which you are accredited to implement this desirable step in strengthening the common front against the Axis.

A suggested translation of the Resolution was sent you on June 3 under cover of a letter signed by Mr. Sanders, the representative of the United States on the Emergency Advisory Committee for Political Defense. The Department is sending you in the near future a copy of the official translation of this document. There will also be sent you in the near future an instruction outlining certain points of action in respect to the program on which your report is desired.

HULL
JHK

SWP:MEC:BB 6/14/44

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 2198

Asuncion, Paraguay, June 17, 1944.

Subject: Refugee Children to be received by
Paraguayan Government.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer to my confidential despatch No. 2148 of June 3, 1944 transmitting a note from the Ministry of Foreign Relations communicating the views of the Paraguayan Government with respect to the possibility of accepting a fixed number of refugee children. The Foreign Office note of May 21 quoted a communication from the Ministry of Education on this subject.

Another Note No. 516, June 15, has now been received from the Ministry of Foreign Relations on the same subject, quoting a communication from the Ministry of Interior and Justice. A copy and translation of this note is transmitted herewith for the completion of the Department's records.

Respectfully yours

Leslie E. Reed
Charge d'Affaires, a.i.

Enclosures

1. Copy of Note No. 516.
2. Translation of Note No. 516.

848.
LER:ps:ajl

Original with reverse carbon
to the Department

TRANSLATION

Mr. Charge d'Affaires:

With reference to Note D.P. and D. 402 of May 10 last,
I have pleasure in quoting to you the following communication
received from the Ministry of Interior and Justice, which says:

"126, Asuncion, June 9, 1944: Mr. Minister: I have pleasure
in addressing Your Excellency with reference to your No.
397 dated May 8 last, with which there was transmitted a duly
authenticated copy of Note No. 260 received from the Ameri-
can Embassy accredited near our Government, the contents of
which you were good enough to submit for the consideration
of this Ministry. With respect thereto, I have to inform you
that this Government Department, in accordance with the hu-
manitarian duties which it understands are those of every
civilized people, considers that Paraguay ought also to
cooperate in the work of giving asylum to the children
homeless as a result of the present war; but as there do
not exist, in this country, institutions for this purpose
with buildings sufficiently large and the necessary facili-
ties with possibilities of housing a considerable group of
children, it is necessary to create the equipment for such
a noble purpose, for which there would be necessary the
construction of adequate buildings with the necessary comfort
and equipment. The economic collaboration which is offered
might cover the cost of all such items, as well as the means
to pay for the maintenance and clothing of the children to
be given asylum. For its part, the National Government might
collaborate, paying the teaching and administrative staff
of the institution to be created for the purpose of giving
a thorough education and the necessary attention to the
minors referred to. I take this opportunity of saluting
Your Excellency with my most distinguished consideration.
Signed: Amancio Pampliega, Minister."

I take this opportunity to salute you with my highest
and most distinguished consideration.

Signed: Mario Ferrario.
Under Secretary of Foreign
Relations.

The Honorable
Charge d'Affaires of the United States
of America,
Dr. Leslie Reed.

VMT-520

PLAIN

Lisbon

Dated June 17, 1944

Rec'd 10:15 p.m.

Secretary of State,

Washington.

1874, June 17, 3 p.m.

WRB 73. Referring circular telegrams June 14 and 15.

Information therein conveyed Portuguese Ministry Foreign Affairs with request for comment and cooperation. Also sent copy President's statement June 12. Commercial news agencies released story and news items appeared in four Portuguese newspapers to date. No release prepared by Press Attache account commercial releases and conflict with invasion news. Action taken received enthusiastic approval all concerned with rescue relief activities. It is felt that this will strengthen our Government's position in dealing with refugee problem.

NORWEE

EJH
LMS

KEM-547

PLAIN

LISBON

Dated June 17, 1944

Rec'd 6:49 a.m.

Secretary of State,

Washington,

1885, Seventeenth, 7 p.m.

FOR RABBI STEPHEN WISE NEW YORK FROM WEISSMAN

WRB 75.

Edith Affenkraut born November 10, 1929, Leipzig
and Edith Thieberg born February 20, 1929, Leipzig
applying American visas. Consul requires sworn state-
ment from relatives confirming birthplace and dates.
Send through WRB. Relatives should also deposit passage
money Rias New York.

NORWEB

HTM

EOC-425
Distribution of
true reading only by
special arrangement.
(SECRET W)

Lisbon

Dated June 17, 1944

Rec'd 6:43 p.m.

Secretary of State,

Washington.

1884, June 17, 7 p.m.

WRB 74 FOR PEHLE FROM MANN

SECRET. RESTRICTED CIRCULATION.

Leaving Monday plane for Spain. Expect return here within week or ten days. Situation more difficult than anticipated. There are many complications including personalities and possibly some people playing both sides.

Have not yet seen Schwartz but hope to see him on return here. Until talk with him, cannot appraise possibilities of finding a workable formula. Preliminary investigation indicates that he may be in a position to bring about workable solution but about that cannot be sure. So far Joint, while very courteous, has taken attitude that there is no problem and in that they are wrong. It seems essential that Board promptly send operating representative with power to immediate rescue area. Had such been done earlier, very probable that all difficulties could have been avoided.

When is McDonald arriving? Essential that Mann confer with him either here or Madrid.

Am not cabling detailed report of findings and impressions thus far since feel it would serve no useful purpose.

NORWEB

JT

WRB

KEM - 489
Distribution of true
reading only by special
arrangement. (SECRET W)

Stockholm

Dated June 17, 1944

Rec'd 9:11 p.m.

Secretary of State,

Washington.

2187, June 17, 8 p.m. (SECTION ONE)

Following summarizes principal features of Bohm's report of the situation in Hungary, which has been forwarded airmail by pouch leaving here June 20.

This is our 32 for WRB supplementing our 27 (Legation's 2098, June 12, 9 a.m.).

Number of refugees in Hungary estimated to require relief and protection placed at more than one million. Group comprises following citizens:

Political refugees; Social Democrats, Liberals, Communists and others, three thousand.

Non-Hungarian Jews who escaped from German, Austria, Slovakia, Rumania and other neighboring countries, twenty thousand.

Hungarian Jews, eight hundred thousand, plus an additional two hundred thousand involved through Nuremberg and other laws and decrees.

Polish citizens and Polish soldiers, were approximately twenty thousand but impossible to determine how many are still alive.

Official regulations against Jews issued through May include dispossession of flats; confiscation of cash and securities; dispossession of agricultural properties, personal and house hold effects; closing of approximately forty five thousand stores; destruction of all books by Jewish authors; conscription of all persons between 18 and 48 for forced labor.

All communities have been instructed to place their Jewish population in concentration camps and ghettos. A secretary of

JOHNSON

EDA WMB

LTK - 468
Distribution of true
reading only by special
arrangement. (SECRET W)

Stockholm

Dated June 17, 1944

Rec'd 8:10 p.m.

Secretary of State,
Washington

2187, June 17, 8 p.m. (SECTION TWO)

State for Jewish Affairs personally made tours of inspection to determine whether regulations were carried out, thereafter made public announcements of great success of program. It was announced that 320,000 Jews had been placed in concentration camps in provincial areas east of Theis. Reports of cruelty, torture, murders and suicides appear confirmed.

Swedish Foreign Office has in approximately 800 individual cases, instructed its Legation in Budapest to advise Hungarian authorities that such persons have protection of Swedish Government and have been promised entry visas. This has been helpful in certain cases, in others of no avail.

Following recommendations are made in report as to rescue operations:

To have neutral countries, on basis of Hungarian official declaration that its Jewish problem can only be solved by evacuation of this element, offer to supply haven for these refugees and to assist in their evacuation. It is not considered likely that Hungarians would permit politically compromised Jews to depart, but there is a chance they would permit other groups in which neutral countries have expressed a protective interest to depart, also others who are eligible to go to Palestine, and still other groups to be determined by negotiations. Evacuation would require some bargaining with certain German officials and evacuation operation in general unquestionably will be expensive.

JOHNSON

WSB
REP

FIG - 484
Distribution of true read-
ing only by special ar-
rangement. (SECRET-W)

Stockholm

Dated June 17, 1944

Rec'd 8:47 p.m.

Secretary of State,
Washington.

2187, June 17, 8 p.m. (SECTION THREE).

Report contains following suggestions for relief operations:

Food and medicine is of tremendous urgency for people in concentration camps and ghettos, much of which could be obtained locally if properly organized. Similarly, distribution of local currency for needy cases would be most helpful. Much of the activity can be coordinated through a temporary committee designated by Minister of Interior on May 13 for management of Jewish problems, called Committee of the Union of Hungarian Jews. Is presided over by Samu Stern, Chairman of the Jewish community in Budapest, and Peto Erno as Vice President. Committee members are Karoly Wilhelm, Bela Berend (Chief Rabbi), Rabbi Samu Kahan Frankl, Fulop Obudai Freudip Guer (?) (Freudiger) (President of the local Jewish community), Sandor Torok (author), Dr. Jose F. Nagy (head physician of the Jewish Hospital) and Dr. Janos Gabor (attorney).

(END OF MESSAGE).

JOHNSON

RB
EJH

CABLE TO MINISTER HARRISON AND MCCLELLAND, BERN, SWITZERLAND

The War Refugee Board requests that you deliver the following message to Mr. Isaac Sternbuch, 3 Teufener Strasse, St. Gallen:

QUOTE Cabled you 100,000 dollars equivalent 428,816 Swiss francs to help comply with requests Neutra Rabbi and President Freudiger and for other rescue projects. Joint instructed Saly Meyer to discuss with you Neutra Rabbi's and Freudiger's appeals. Contact him and advise us regarding results. Contact War Refugee Board representative McClelland, detail to him your and Neutra Rabbi's and Freudiger's plans and request his financial assistance.

Vaad Hahatzala

Rabbi Aaron Kotler UNQUOTE

THIS IS WRB CABLE TO BERN.NO. 48.

June 17, 1944
12:15 p.m.

BAkzin:ar 6/16/44

CABLE TO MINISTER HARRISON AT BERN FOR MCCLELLAND FROM WAR
REFUGEE BOARD.

S E C R E T

Reference your 3731 of June 11. Board extremely disappointed
with Intercross inability substantially to augment its staff in
Hungary. It is assumed that you will continue your efforts in
every way to accelerate action by Intercross. It is also assumed
that Imfeld report will be made available to you.

THIS IS WEB BERN CABLE NO. 51.

June 17, 1944
2:15 p.m.

LSLesser:als 6/16/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
TO: Secretary of State, Washington
DATED: June 17, 1944
NUMBER: 3867

SECRET

Following is for War Refugee Board from McClelland.

The following recent developments on the situation of Jews in Hungary are called to your attention:

1. Notwithstanding previous experience in Germany, several hundred "nationality" certificates which the Consul General of El Salvador in Geneva issued have been sent into Hungary during the past two months by individuals and organizations principally Jewish; unaware that El Salvador had no protecting power in Hungary. Subsequently the Salvadorian Consul General at Geneva has made attempts to induce the Swiss Government to accept this responsibility but I have been advised that the Swiss Government has informed him that it is not in a position to consider the proposal unless his Government presents it officially. Any steps in this direction could help as Switzerland's role as protecting power for Salvador in Hungary, if indeed the Hungarians would agree to it, might conceivably forestall or impede the deportation of several hundred persons holding such documentations.

2. From reliable sources we learn that the Rumanian Government has issued confidential instructions to border control authorities to facilitate the admission of Jewish refugees from Hungary for transit Rumanian territory.

According to repeated reports, toward the end of May the actual deportation in the direction of Poland of Jews from northeastern Hungary began over the Kaschau-Presov railway line. Reports state that 4,000 persons deported from Kaschau (Kassa) and 75% of Jewish population from the districts of Beregszasa, Munkacs, Ungvar. However, it is very difficult to obtain confirmation of such reports. Next week we hope to have additional information from returning ICRC Joint Relief Commission purchasing agent.

HARRISON

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
TO: Secretary of State, Washington
DATED: June 17, 1944
NUMBER: 3869

SECRET

McClelland sends the following for the War Refugee Board.

Reference is made herewith to Department's cable dated June 6, no. 19461.

The persons suggested will be contacted after some preliminary investigation of their capacities. We are already in close and regular contact with Sternbuch, Selymayer and Riegner, and well acquainted with their projects and plans. All of them are sending in funds to Hungary but they lack really active reliable and resourceful contacts within the country through whom they could carry on relief and rescue operations. We are already in touch with Grimm and Popper. For helping persecuted Jews in Hungary, no special channels seem to be had by the latter.

HARRISON

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
 TO: Secretary of State, Washington
 DATED: June 17, 1944
 NUMBER: 3871

SECRET

Reference is made herewith to your cables of April 7, April 10, April 22, May 27, and June 5, 1944 numbers 1181, 1221, 1400, 1846, and 1921 and my telegram of April 13, 1944 No. 2297.

The following is the substance of material part of the June 13 memoire from the Foreign Office.

1. Passports of countries of Latin America (Costa Rica, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Paraguay, Venezuela) have circulated since the outbreak of the war among Jews living in German occupied territories., Poland especially. Consulates of various countries mentioned in Japan, Switzerland, Portugal, New York, Sweden and perhaps Poland issued these passports. Instructions were requested of interested Governments when such passports of countries whose interests Switzerland protects in Germany expired and when bearers asked the Swiss Legation in Berlin to renew them. The interested Governments in general refused to authorize the extension of those passports which were not recognized by them. This fact was not brought to the attention of German authorities but the Swiss Legation in Berlin was deprived henceforth of the possibility of giving these people protection.

2. Of these passports a rather large number are Paraguayan. Since Spain represents Paraguay in Germany, it seems that a list of a limited number of persons who alone should benefit from Spain's protection was given to the Spanish Embassy in Berlin by the government of Paraguay. It is not known by the Federal Political Department whether the Spanish Government received subsequently instructions correcting this situation in conformity with Paraguayan Government's statement mentioned in the second paragraph of the American Legation's memorandum of April 10 (your 1181).

3. Admission to American civilian internment camps controlled by the Minister of Foreign Affairs in Berlin, such camps being administered by analogy pursuant to POW Convention, was secured by a certain number of bearers of Latin American passports, generally Eastern European origin. Thus these persons virtually became candidates for an exchange of civilians between American countries and Germany. Those

remaining in

- 2 -

remaining in Poland, on the other hand, remained under regulations governing other eastern Jews. A census of internees at Compiègne and Vittel was taken recently and there was removed from these camps a group of Jews. In certain cases this seems to have involved bearers of Latin American passports whose validity was questioned.

4. Jews who had not been able to establish American nationality had already been removed from Compiègne and Vittel by the German police at the time the contents of the American Legation's notice of April 14 (your 1221) was delivered to the German Government. It appeared from verbal statements made to the Swiss Legation in Berlin by a German Foreign Office official that the latter welcomed an opportunity while there was still time to support recognition by the United States of any one claiming ties with a country of Latin America as exchangeable. In the future German Foreign Office would be ready to consider as eligible for exchange against Germans in the United States desiring to be repatriated all Jews interned in these camps who bear Latin American identity documents as well as those elsewhere known to the German Foreign Office.

5. Consequently it would seem logical to admit that the German Foreign Office, desiring to establish as large a basis as possible for foreseen exchanges, will do everything possible to exempt Jews bearing Latin American passports from deportation provided that an exchange agreement will effectively cover these Jews.

6. It is reported that there are still in Poland persons holding Latin American passports who until now have neither been interned nor considered for exchange, according to the Swiss Legation in Berlin. It appears that the best protection that could be given to them would be for the interested Governments to recognize officially all Latin American passports which Jews in Germany or other German occupied territories are holding and to make a formal declaration through protecting power to this effect. Of countries whose interests Switzerland protects in Germany until El Salvador and Venezuela have recently made such declarations through intermediary of Federal Political Department. As yet, Nicaragua, Guatemala, Honduras, Ecuador and Costa Rica have not individually confirmed this attitude which should result from steps which the Department of State has taken with various countries of Latin America mentioned in paragraph two of the April 10 memorandum of the American Legation.

7. Although

- 3 -

7. Although not implying any guarantee, the foregoing permits the hope that the German Foreign Office concurs with the State Department's views. The concrete proposal leading to the exchange of lists contained in a recent communication with the government of Germany and submitted to the Federal Political Department by the American Legation of May 31 (See Department's cable of May 27, 1944 No. 1846) should constitute a basis for a practical talk in this matter.

8. However, the following must be submitted to the Legation's attention by the Federal Political Department: the arrangements being considered will be effective only to the extent that the number of German citizens whose repatriation may be considered corresponds to the number of persons holding passports and other identity documents issued in the names of Latin American Republics. However, it has come to the Federal Political Department's attention that documents of this type are said to have been issued by the hundreds recently again.

9. Finally, any publicity whatsoever given to the action now being taken could compromise the essentially precarious status which one hopes to assure Jewish bearers of passports from Latin American countries.

We would appreciate information relative to success of steps referred to in paragraph two of above note which the American Embassy in Madrid undertook with the Spanish Government.

HARRISON

DCR:IDB:HL
6/20/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
 TO: Secretary of State, Washington
 DATED: June 17, 1944
 NUMBER: 3877

CONFIDENTIAL

McClelland sends the following for the War Refugee Board

There follows strictly confidential information that has been secured in reply to the questions in Department's cable dated May 27, No. 1845.

A. Yes; exclusively.

B. Auschwitz, Buchenwald, Dachau, Ravensbrueck and Sachsenhausen-Oranienburg are the principal concentration camps in Germany and German occupied territories to which packages can be sent with satisfactory guarantees of distribution.

ICRC will always be able to supply, for the relief to Jews, the name and location of larger camp, Ghetto or local Jewish Organization undertaking distribution in case of collective shipments of packages. In consultation with WRB representative, ICRC would forward packages only when it can secure the necessary guarantees.

From relatives and friends in Europe, ICRC and other relief organizations are constantly receiving names, addresses and numbers of prisoners, deportees, and political internees, both Jewish and non Jewish, located in a great many smaller camps and places of detention.

At all times ICRC is prepared to present detailed evidence to representatives of the Allied blockade authorities of proper distribution of such packages.

(1) ICRC is in a position to forward roughly 20,000 individual parcels monthly for political prisoners in concentration camps and prisons. However, if French political deportees are included, this number of packages would have to be approximately ten times larger, as there are over 100,000 French deportees according to minimum reliable estimates.

As provision should be made for coming difficult months, a reserve of several hundred thousand parcels containing clothing, shoes and food would not be disproportionate. We recommend that there

be included

- 2 -

be included a few hundred cases of cigarettes as they are absolutely invaluable in facilitating distribution of parcels in Germany and German occupied territories.

(2) The Resienstadt could alone absorb up to 80,000 parcels monthly at the rate of single parcel per person. It is interesting to note in this respect, that ICRC has received written permission from the Germans for one of their delegates to visit the Resienstadt this month.

Including the needs of Croatia, Poland and Hungary, several hundred thousand parcels more per month would be essential should sending of relief for Jews concentrated in that country become possible and necessary.

This proposal is urgent as needs for both Jews and non Jews are increasing each month. Even now European overland transport difficulties may be such as to prevent supplies reaching Switzerland. On the other hand, could such a stockpile be built up in Switzerland, it would be invaluable for saving endangered lives both now and later. It could constitute an advanced UNRRA stock.

Please refer to Legation's message of April 1, No. 2031. The possibilities of purchasing foodstuffs in Europe, let alone clothing, are shrinking rapidly. Any purchases in the Balkans, hitherto the principal remaining source of food suitable for packages, now increasing liable to benefit the enemy directly by giving him foreign exchange.

We cannot too strongly emphasize the desirability of general relief action on behalf of all persecuted and endangered groups irrespective of race, creed or nationality. ICRC is willing to undertake such a general program but restricting help mostly to Jews as hitherto the case insofar as the sending of WRB sponsored funds has been concerned, is liable to jeopardize this whole humanitarian effort. If funds are required, ICRC is informed that various Allied Governments in London and the French Committee of Liberation, Algiers, whose nationals are in Nazi hands, are prepared to contribute to this scheme generously.

(With respect to the British position on this subject, it is pointed out that at the present MEW is allowing sending of packages to unassimilated groups in France in the notorious internment camp of Vernet, Arleze for instance. British position in general, however, has apparently not been favorable).

This stockpile

- 3 -

This stockpile plan is recommended unequivocally by the Bern representative of WRB and **he** is convinced of the adequacy of distribution controls which ICRC offers and which are superior to those available for assimilated groups, in many cases.

HARRISON

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy , **Ankara**
DATED: June 17, 1944
NUMBER: 532

SECRET

License W-2208 has been issued to the American Jewish Joint Distribution Committee by the Treasury Department, following which its Turkish representative is authorized to arrange for evacuation and rescue operations in enemy-occupied and enemy countries. Please advise Rueben Resnik, c/o American Consul General, Istanbul of the foregoing. In every respect the text of license W-2208 is exactly the same as license W-2166 mentioned in Department's message of April 8, Number 311. The identical suggestions and comments contained in reference message apply and should be considered as completely described in this instance.

Concerning the actual payment of funds required for performing the operations involved, Resnik will be further informed.

HULL

CABLE TO AMERICAN CONSULATE, ISTANBUL, TURKEY

The War Refugee Board requests that you deliver the following message to Mr. Jacob Griffel, Hotel Continental, Beyoglu:

QUOTE Awaiting reply containing your plans. Try not to let lack of money delay rescue activities. Try to get Refugee Board and Joint to assist you. No discrimination should be permitted against orthodox Jews constituting at least fifty percent of our people. Negotiating with Congress and Agency. Goldman cabled Barlas requesting suggestions for settlement. We appealed to Hirschmann and Katsky to help you. Contact Sternbuch who instructed to help you if plan practical. Trying to send our American representative to help you and coordinate rescue work but meeting great difficulties therefore secure Ambassador's approval.

Vaad Bahatzala

Abraham Kalmanowits UNQUOTE

June 17, 1944
9:55 a.m.

BAKzintar 6/10/44

June 17, 1944
12:20 p.m.

285

MESSAGE TO THE AMERICAN CONSULATE GENERAL, ISTANBUL, TURKEY

Please deliver the following messages from Dr. S. Bernstein, Zionist Organization of America, 41 East 42nd Street, New York 17, New York, to Mr. Barlas, Pera Palace, Istanbul, Turkey;

QUOTE On behalf of Mrs. Elisabeth Reich of 235 Seaman Ave., Bronx, New York, we are hereby applying for Palestine Certificates for the following persons:

- I. ISSMANN, WIKTOR (GYOZO) father of applicant -age 76
Wife SZERENE mother of applicant -age 70

ADDRESS: Karoly Korut 7, Budapest

- II. ISSMANN, VILMAS brother of applicant -age 48
Wife RENEE
Son TIBOR

ADDRESS: Karoly Korut 7, Budapest

- III. BLUM, ALADAR - brother-in-law of appli- -age 55
cant
Wife YANKA sister of applicant -age 50
Son MIKLOS -age 18

ADDRESS: Karoly Korut 7, Budapest

- IV. ISSMANN, FERENCZ brother of applicant -age 40
Wife MARGIT -age 33
Son GYORGYI -age 17

ADDRESS: Karoly Korut 5, Budapest

- V. FRIEBERT, SANDOR brother-in-law of applicant -age 48
Wife ROZSI -age 43
Daughter Evi -age 12

ADDRESS: Wesselenyi Utca 4, Hungary

We hope you can be of help in this matter.

We hereby submit to you applications for Palestine immigration certificates on behalf of the following persons in Hungary, for whom we have been appealed to by their brother and sister, Mr. Benjamin Bloom of 755 Eastern Parkway, Brooklyn, and Mrs. Margaret Moyowitz, 599 Powell Street, Brooklyn, N.Y.

1. YENO FRIEDMAN (brother-in-law) aged 50
wife GIZA aged 45
and 1 child

Address: Szatmor Megye, Nahrod, Hungary

- 2 -

2. DEZSO BLUM (brother) aged 43
wife
and 4 children

Address: Feher Gyormat, Szatmar Megye, Hungary

3. BELA ELFENBEIN (brother-in-law) aged 40
wife Irene aged 36
and 2 children

Address: Balmazujvoros, Hungary

4. ARMIN BLUM (brother) aged 41
wife
and 4 children

Address: Feher Gyormat, Szatmar Megye, Hungary

5. ODON BLUM (brother) aged 34
wife
and 1 child

Address: Szatmor Megye, Nahrod, Hungary

6. LAJOS BLUM (brother) aged 31
wife
and 1 child

Address: Szatmor Megye, Nahrod, Hungary

7. SANDOR BLUM (brother) aged 26
wife
and 2 children

Address: Szatmor Megye, Nahrod, Hungary

I am confident that you will do what you can in behalf of the above-named persons.

Rabbi E. Phineas Friedman, citizen of the United States, and rabbi at 1211 Chestnut Street, Philadelphia, Pa., appeals for Palestine immigration certificates for the following:

1. RABBI JOSEF FRIEDMAN, aged 82, (father of the applicant)
residing in Dombvar, formerly Roumania, now occupied
by Hungary.
2. DR. HILLEL FRIEDMAN, aged 52, (brother of the applicant)
Rabbi of Dombvar - was born in Satmar.
Wife - aged 50
and two daughters, aged 10 and 14.

3. DR. ZOITAN FRIEDMAN, aged 35, (brother of the applicant)
Physician at the Jewish Hospital in Budapest, Hungary
Wife - aged 30

We are confident that you will make every effort to be helpful to these people.

In behalf of Rabbi Solomon Gottlieb, 471 Miller Avenue, Brooklyn, New York, I hereby submit to you the following applications for Palestine immigration certificates:

GIZELLA HALPERT, sister of the applicant,
born March 15, 1909, in Jerusalem, Palestine

AURELIC HALPERT, her son,
born August 29, 1932, in Ungvar

LUDWIG HALPERT, her son,
born June 9, 1938 in Trnava

Gizella's husband, Leopold, was born November 25th, 1905, in Munkacs, Slovakia, but for the last two years is located in Belgium, address unknown.

Address of Mrs. Halpert and children:

TRNAVA
KAPITULSKA 26
SLOVAKIA

Babbi Solomon Gottlieb of 471 Miller Avenue, Brooklyn, N.Y., hereby applies for Palestine certificates for his brother-in-law.

HERMAN AXELROD, born July 8th, 1900,
wife Sara (nee Gottlieb), born April 15th, 1902 in Jerusalem,
Palestine

daughter Margit Aranka, born December 23, 1924, in Munkacs

son Israel Majer, born March 10th, 1928, in Munkacs

son J. Salomon, born June 8th, 1932, in Munkacs

daughter Evi Esther, born November 22nd, 1934, in Munkacs

daughter Deborah, born January 3rd, 1938, in Munkacs

Address: MUNKACS, KERTALJA Ut 23, HUNGARY

DR. S. BERNSTEIN
DIRECTOR, PALESTINE BUREAU UNQUOTE

CC: Miss Chauncey (for the Sec'y) Abrahamson, Cohp, DuBois, Friedm an, Hodel, Laughlin, Lesser, McCormack (for Mr. Mann), Stewart, Central Files Room 194, Cable Control Files - Room 185.

KEN-720

Istanbul

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

Dated June 17, 1944

Rec'd 2:52 p.m., 19th

Secretary of State,
Washington.

358, June 17, 9 p.m.

This message from Leon Pl Denenberg for ~~Shestrunsky~~ ^{Shebastrunsky}
International Rescue and Relief Committee, 2 West 43rd
Street, New York City.

"Reached Turkey June 5. Managed so far to establish a number of good contacts. Rescue our category of people extremely difficult all avenues being lately closed but with time, patience, money something may be done. Considering the question sending a man into Hungary. Rescue of Jews somewhat improved but unfortunately too many American Jewish agencies and also Palestineans compete with each other creating a difficult situation. All Jews so far rescued by Histadruth with invaluable and generous cooperation of Ambassador Steinhardt. All claims of others worthless. Am now compiling list of persons and if you Estrin or others have names of persons in Bulgaria, Rumania, Hungary send them to me at once. Communication with Switzerland easy and if you have not already cabled Berthelot to contact me do so immediately. Ask Pat if he wishes me to cable Switzerland regarding Samuel Stein and wife and also Pesach Albert family in Shanghai. Dr. Schweitzer of Hicem now in Istanbul will be glad help with Shanghai project.

Conditions in Turkey inflationary with value of dollar down but money helps. Will inform you about remittance of funds we are only agency in this part of the world helping non-Jews and needs unfortunately are very great. Will soon be in position to send report in detail and other information. Kuzniarz contact valuable. War Time travel extremely difficult but have had no trouble except some minor with our best friends but everything is under control. Greet my family and our friends. Have cabled and written you but received no reply. Please cable reply at once to American Consulate General in Istanbul, Turkey.

BERRY

EDA:RR

PLAIN

June 17, 1944

DR. ALBERTO GUANI, PRESIDENT,

EMERGENCY ADVISORY COMMITTEE FOR

POLITICAL DEFENSE,

MONTEVIDEO, URUGUAY.

I have the honor to acknowledge Your Excellency's communication of May 31, transmitting to me a copy of the resolution adopted by the Committee on that date.

I note that this resolution proposes that the American Republics concert and intensify their efforts to rescue from German hands some thousands of oppressed minorities holding non-European documentation; that this be done by joint proposals to exchange German nationals from the American Republics for these persecuted groups; and that such exchanges can be achieved consistently with security considerations surrounding exchanges previously formulated by your Committee in the interests of hemispheric defense.

My Government will be most happy to participate actively in such an inter-American program. In company with some of its sister republics and other governments it has been giving intensive consideration to this problem. The direction and stimulus the Committee's resolution provides for the development of a joint program of larger proportions is most welcome, and is in line with those great humanitarian concepts for which the American Republics stand.

I extend to you and your distinguished colleagues the assurances of my highest consideration.

CORDELL HULL
Secretary of State of the United
States of America
(AAB)

ARA:LAK:IMS
6-17-44

SWP

WRB

From

Canberra

Date June 17, 1944



Secretary of State
Washington

A-22 June 17, 2.00 p.m.

Reference is made to Legation's telegram no. 69, dated June 12, 1944, 2 p.m., announcing Australian delegation to Monetary Conference. As will be observed when they are met at Washington, the delegation is on the average a somewhat junior group of officials. Professor Melville can be said to be bordering on the senior official of Australia but by comparison with representatives of other countries would still be quite junior. The other two members are extremely junior officers. A few brief remarks about each man may be in order for the information of those American officials who will come in contact with them.

Professor L. G. Melville was formerly a junior employee in the Australian Treasury but was seconded to the Commonwealth Bank as Economic Adviser, which position he has now held for some years. When the Ministry of Post-War Reconstruction was created in 1943 Professor Melville was given the position of Deputy Director of Post-War Reconstruction while retaining a hold on his Commonwealth Bank position to which he devotes a certain amount of time each week. Professor Melville will probably be already known to a number of officials at Washington because he recently spent two months in the United States returning from monetary talks at London. Although Melville has a pleasing outward appearance and may at a conference or in conversation give an impression of tractability he is quite capable of acting contrary to the impression given.

Mr.

From

Canberra

Date June 17, 1944

Recd. June 24, 4 pm

DEPARTMENT OF STATE
DIVISION OF

JUN 26 1944

COMMUNICATIONS
AND RECORDSSecretary of State
Washington

A-22 June 17, 2.00 p.m.

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Mr.

A-22 (2)

Mr. F. H. Wheeler is quite a junior official in the Treasury. He can be described, however, as the right-hand man of the Secretary of the Treasury who has vested in Mr. Wheeler a great deal of responsibility. The Secretary of the Treasury considers Mr. Wheeler one of the most brilliant men in the Commonwealth Government service and is confident that he is extremely competent in fiscal affairs.

Mr. A. H. Tange has, for the past year, been a junior economist in the newly created Department of Post-War Reconstruction, but for the past two months has been loaned to the Department of External Affairs to substitute as the head of the Economic Section for Dr. John Burton who went to the United States as an adviser to Mr. Beasley at the I.L.O. Conference. Mr. Tange is a brilliant and level-headed young man. Like Wheeler, he is quite reasonable to deal with.

All of the members of this delegation have been very helpful to Foreign Service Officers; first Professor Melville many years ago in Sydney, and more recently himself and these junior officers here in Canberra.

JOHNSON

JRM/vr

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

DIVISION OF
COMMUNICATIONS
AND RECORDS

292

HMK-293

PLAIN

London

Dated June 17, 1944

Rec'd 12:23 p.m.

Secretary of State,
Washington.

10, 17th

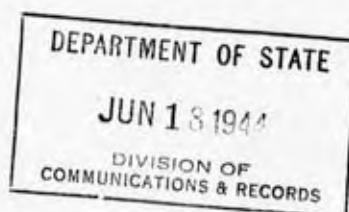
BELGE

FROM SCHOENFELD

My 8, June 10

Belgian Delegation will also include third member
to the designated later, three female stenographers
and one male clerk.

WINANT



AIRGRAM

FROM Embassy

Habana

Dated June 17, 1944

Rec'd June 20, 1 m

Secretary of State,

Washington.

A-1313, June 17, 12:35 p. m.

DEPARTMENT OF STATE

JUN 21 1944

DIVISION OF
COMMUNICATIONS & RECORDS

Department's circular telegram June 3, 6 p.m. regarding the United Nations Monetary and Financial Conference.

The Minister of Finance, who is leaving June 18 for New York prior to attending the conference, confirms the makeup of the Cuban delegation transmitted in Embassy's telegram No. 574, June 13. I expect official notification shortly from Ministry of State. Ministry of Finance would appreciate ascertaining as soon as possible the date and approximate hour at which the special train leaves Washington for Bretton Woods and informs Embassy that the office requirements of the Cuban delegation can be limited to one room.

I plan to issue air priorities from Habana to Washington for all the members of the Cuban delegation except Dr. Pazos and Irving Gordon, who are already in Washington.

BRADEN

851
ELH/gch

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

DIVISION OF
COMMUNICATIONS
AND RECORDS

294

AF-339



PLAIN

London

Dated June 17, 1944

Rec'd 2:45 p.m.

Secretary of State,
Washington.

POLES FROM SCHOENFELD

60, SEVENTEENTH.

My 58, June 15.

Dr. Ludwik Grosfeld, Minister of Finance, has been added to Monetary Conference delegation and will act as head of delegation instead of Baranski. He will be accompanied by his private secretary Mr. Gustaw Gottesman.

WINANT

EJH

LMS

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

DIVISION OF
COMMUNICATIONS
AND RECORDS 295

RECT-513

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

Moscow

Dated June 17, 1944

Rec'd 10:17 p.m.

Secretary of State,
Washington.



2164, June 17, 2 p.m.

Department's circulars June 10, 6 p.m., and 7 p.m.

The Embassy has received a note from the Foreign Office
dated June 15 stating that:

The Peoples Commissar for Finance requests that his
thanks be transmitted to the Secretary of the Treasury for
the information concerning the establishment of the informal
committee to prepare the draft agenda which will be submitted
for consideration by the United Nations Monetary and Finance
Conference. At the same time the People's Commissariat for
Foreign Affairs of the Union of Soviet Socialist Republics
communicates that the Soviet Government has instructed the
Soviet technical experts A. P. Morozov, M. A. Smirnov and
F. P. Bystrov who are now in Washington to participate in the
work of the above mentioned informal committee".

HARRIMAN

RR
NPL

NOT TO BE RE-TRANSMITTED

Copy No. _____

SECRETOPTEL No. 198

Information received up to 10 A.M. 17th June 1944.

1. NAVAL

On 15th enemy shelling of the western flank of bridgehead eased and rate of unloading on U.S. Beaches continued to increase. 5 U.S. Tank Landing Ships damaged. One of H.M. Battleships silenced a new battery at BENERVILLE. Another of H.M. Battleships engaged a battery at CAP DE LA HEVE. One of H.M. Cruisers carried out 11 bombardments.

On 15th/16th about 30 German aircraft dropped mines off the Western beaches; sweeping has continued.

On 16th a cable repair ship was mined and sunk. One of H.M. Frigates sank and one of H.M. Destroyers was damaged last night by shore batteries.

Air reconnaissance and prisoners statements show that demolition of the PORT OF CHERBOURG is being carried out. A 12,000 ton German oil Refinery ship has been sunk across the entrance; harbour installations being destroyed and demolitions seen at the seaplane base.

On 14th/15th Coastal forces engaged 2 enemy destroyers off SPEZIA and sank one of them.

Aircraft from a U.S. Escort carrier sank a U-boat on 15th South of ST. HELENA; the Captain and 20 crew were picked up; 4 aircraft lost, 2 of them shot down by the U-boat.

2. MILITARY

France U.S. Troops have advanced slightly southwest of MONTEBOURG and further south have made considerable westward advance with patrols reported in ST. SAUVEUR LEVICOMTE, a British attack morning 16th in TILLYSURSEILLES Area has made limited progress. Now know that German counter attack this area 14th cost him 9 Tiger and 10 Panther tanks. East of ORNE 2 German attacks held.

Italy In Adriatic Sector Polish troops are approaching road GUILLANOVA TERAMO. Eighth Army troops have occupied BEVAGNA and are ten miles North of TODI on the Road to FERUGIA. U.K. and South African Armour are astride the SIENNA Road about 15 miles North of ORVIETO where they have overcome enemy rearguards and destroyed several anti-tank guns besides taking many prisoners. French have occupied high ground West North West of AQUAPENDENTE against light resistance. U.S. Troops have occupied GROSSETO and are making general progress.

Burma Our troops have made advances on road KOHIMA-IMPHAL of 4 miles and 1 mile respectively southwards and northwards.

3. AIR OPERATIONS

Western Front 15th. Bomber Command dropped 1,310 tons including eleven 12,000 pound bombs at BOULOGNE between 10:30 and 11 P.M. 15th/16th. Total 810 tons dropped on Railway Centres LENS and VALENCIENNES and 770 tons on fuel depots CHATELLERAULT and FOUILLARD. Timing, marking and bombing good, explosions reported from both fuel depots.

16th. Escorted Fortresses bombed 6 airfields N.E. France -- 370 tons and Liberators bombed 4 military constructions PAS DECALAIS - 380 tons. Medium and fighter bombers attacked motor vehicles and tactical objectives - 260 tons 17 aircraft missing, 1 enemy aircraft destroyed.

16th/17th. Aircraft despatched: military constructions NORTHERN FRANCE 405; Synthetic Oil Plant near DUISBURG 321 - 32 missing; BERLIN 26 Mosquitoes; other tasks 81.

Enemy During past 24 hours 160 pilotless aircraft flew at intervals over S.E. ENGLAND and LONDON; 17 destroyed by fighters.

Regraded Unclassified

Southern France 15th. Fighters machine gunned 4 airfields and claim 6 German aircraft destroyed in the air and 9 on the ground for loss of 17.

Italy 15th. 110 Mitchells bombed 6 Railway bridges near LEGHORN. Fighters swept CENTRAL ITALY and attacked tactical objectives in the battle area.

Austria 16th. Escorted Fortresses and Liberators bombed 5 oil refineries in VIENNA area - 880 tons; enemy casualties reported 39:13:23, ours 8 bombers, 5 fighters missing.

4. HOME SECURITY

16th. About 80 incidents from pilotless aircraft reported mostly between 7 and 10 A.M. with a few between 2 and 3 P.M. In LONDON damage caused at KING GEORGE FIFTH dock and 3 factories effected elsewhere; otherwise damage mostly to private property. Most incidents in approximate area FOLKESTONE-GUILDFORD-LONDON-CHELMSFORD. Casualties from 6. P.M. 15th to 6 P.M. 16th: LONDON killed 10, seriously injured 50 besides several unclassified.

16th/17th. About 25 pilotless aircraft incidents reported from LONDON and rather fewer from home counties. A Children's Hospital hit in Kensington.

Attached telegram sent to Grace Tully on 298
Sunday night, June 18th, and Monday morning
Miss Tully told the Secretary that the President
approved the statement without changing one
word.

Miss Grace Tully
Hyde Park

299

Please show follow
excerpt from my
broadcast to the

President for his
approval. quote (attached
statement quoted)

(Memo to Walter Burton)
11 ⁰⁴/₆ WT P.M.

I will telephone you
for an answer
before leaving.
Thurs.

SEC. MORGENTHAU:

OUR COMMON CAUSE IS THE WHOLE
RACE OF MAN. WE WILL BETRAY
THAT CAUSE IF WE MAKE TERMS
WITH THE ENEMIES OF MAN.

Page 7

THE GERMAN WAR MACHINE HAS PLANS
FOR SURVIVAL. WE CAN BE SURE
OF THAT. SUCH PLANS HAVE WORKED
BEFORE. I AM NO PROPHET BUT ANY
MAN CAN SEE THAT WHEN GERMANY
DECIDES UPON SURRENDER HER CHOICE
WILL BE FOR A TRUCE NEGOTIATED
IN FRANCE, IN FINLAND, IN ITALY,
OR NORWAY -- ANYWHERE EXCEPT IN
GERMANY. I HAVE NO INSIDE
INFORMATION BUT IT'S AN EASY
GUESS THAT GERMANY MAY OFFER
HITLER AND THE NAZI GANG TO
BRIBE CONDITIONS OUT OF US. WE
WON'T BE BRIBED. OUR TERMS ARE
UNCONDITIONAL SURRENDER.

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

301
DIVISION OF
COMMUNICATIONS
AND RECORDS

EOC-583

PLAIN

Reykjavik via Army

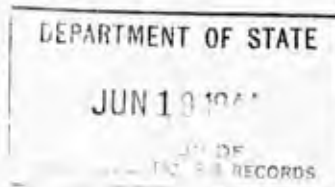
Dated June 18, 1944

Rec'd 3:45 p.m.

Secretary of State,
Washington.

US URGENT

265, eighteenth



Following three persons have been appointed by
Icelandic Government to attend Monetary and Financial
Conference:

Magnus Sigurdsson, Manager National Bank of Iceland,
chairman; Asgeir Asgerisson, manager Fisherer's Bank of
Iceland and Sveinbjorn Frimannsson, chairman of State
Commerce Board. Foreign Office assumes one male and one
female clerk from Icelandic Legation, Washington, will
attend. Other details will follow when available.
Department's circular June 3, 6 p.m.

DREYFUS

WTD

LMS

SECRETOPTEL No. 199

Information received up to 10 a.m., 18th June, 1944.

1. NAVAL

One of H.M. Headquarters ships damaged by gunfire in NORMANDY landing area on 16th and on 17th one of H.M. Infantry Landing Ships damaged by mine. Early 17th Allied naval forces supported a landing on ELBA Island. PIANOSA Island, south of ELBA, taken without opposition. French Destroyers attacked and sank convoy of two motor vessels and four small craft in ADRIATIC on 16th/17th. Yesterday a Catalina sank a U-boat N.W. of STADTLANDET. 40 survivors were seen.

2. MILITARY

FRANCE. U.S. forces having captured ST. SAUVEUR LE VICOMTE have pushed on west and northwest and leading elements reported on coast north of BARNEVILLE SUR MER. Another U.S. drive southwestward from direction of FORET DE CERISY has reached an approximate N.W.-S.E. line 3 miles short of ST. LO. Total prisoners evacuated to U.K. by midnight 15th - 15,563.

ITALY. Indian troops have captured BASTIA 7 miles S.E. PERUGIA and U.K. troops are 5 miles south of latter town. Further west U.K. and South African troops are rapidly approaching CHIUSI, former meeting strong opposition and latter encountering difficult country. Further left French have made general advance and occupied SANTA FIORA while U.S. forces are about 4 miles north of GROSSETO.

ELBA. French Infantry and Commandoes landed early 17th. Germans offering very stubborn resistance and fighting heavy.

BURMA. Our forces have cleared a Japanese road block 10 miles south of KOHIMA on KOHIMA-IMPHAL Road. In North BURMA Chinese reported to have cleared KAMAING after 7 days' siege.

3. AIR OPERATIONS

WESTERN FRONT. 16th/17th. 1,240 tons on STERKRADE Synthetic Oil Plant; considerable cloud, results not capable assessment. 1,421 tons on 4 military constructions, N.E. France; three quarters to total cloud conditions. 17th. At least 3,035 offensive and escort sorties flown. Heavy bombers dropped 1,049 tons on 14 airfields in FRANCE and 60 tons on NOYEN Railway bridge S.W. LE MANS. Fighter bombers attacked communications, M.T., troop concentrations, etc., in NORMANDY and BRITTANY, dropping 223 tons and firing 287 rockets. 472 fighter bombers and fighters flew armed reconnaissance of the battle area and 682 fighters flew standing patrols. 19 enemy aircraft destroyed for loss of 3 bombers and 28 fighter bombers and fighters.

17th/18th. Aircraft despatched: Railway junctions AULNOYE 112 and MONTDIDIER 110 (1 missing); military constructions Northern FRANCE 209; BERLIN 30; Intruders, Bomber Support, and other operations 116. Complete cloud all major objectives; 90% aircraft abandoned task AULNOYE, attack MONTDIDIER abandoned completely.

Enemy. To date, total pilotless aircraft over this country about 270 of which 19 destroyed. 30 more claims by A.A. under investigation. 17th. 29 despatched, of which 21 came over S.E. ENGLAND and LONDON area. 3 shot down by fighters and 2 claimed by A.A. 17th/18th. Up to sunrise 138 despatched of which 94 operated in same area. 5 shot down by fighters.

ITALY. 16th. 483 Allied fighter bombers and fighters operated over Central ITALY.

CZECHOSLOVAKIA. 16th. Escorted Liberators dropped 330 tons on the Apollo Oil Refinery and railway centre BRATISLAVA with good results. Enemy casualties 31, 3, 2. Ours 3 bombers, 1 fighter missing.

4. HOME SECURITY

17th. Incidents reported from 7 LONDON boroughs, mostly south of river. A National Fire Service Hostel hit at WOOLWICH. 17th/18th. During night and early morning attack almost continuous. Direct hit on railway bridge CHARING CROSS Station necessitating diversion traffic at least 2 days. Some damage in docks. Production interrupted 2 war factories southwest suburbs. Serious damage hospital ST. PANCRAS. Casualties 24 hours ending 6 a.m. 18th so far reported: killed 63, seriously wounded 255; unclassified 261.

Regraded Unclassified