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United Nations Relief and Rehabilitation Administration

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*Draft*

MR. MORGENTHAU:

WHEN YOU LOAN YOUR GOVERNMENT  
MONEY FOR THIS WAR YOU JOIN A  
GREAT CRUSADE.....GENERAL  
EISENHOWER HAS CALLED IT THAT --  
A GREAT CRUSADE. YOUR BOND  
IS A <sup>SYMBOL</sup> ~~TOKEN~~ OF YOUR PART IN  
THAT CRUSADE.

YOUR MONEY GOES TO THE MEN  
FIGHTING FOR <sup>US</sup> ~~YOU~~ IN THIS  
DESPERATE WAR. THEY NEED  
THAT MONEY -- EVERY PENNY  
<sup>WE</sup> ~~YOU~~ CAN RAISE -- THEY NEED  
IT NOW FOR SHIPS AND PLANES  
AND TANKS AND BOMBS AND  
BULLETS -- FOR ALL THE ENGINES  
OF DESTRUCTION BY WHICH THEY  
MEAN TO FORCE SURRENDER FROM  
THE ENEMY -- AND TO BLAST A  
SURE FOUNDATION FOR THE PEACE.

THEY NEED ~~YOUR~~ MONEY FOR WAR  
AND THEY NEED IT ALSO FOR  
MERCY -- MERCY IS EXPENSIVE,  
TOO.

THE MEDICAL DEPARTMENT OF THE  
ARMY HAS SPENT APPROXIMATELY  
ONE BILLION DOLLARS SINCE  
PEARL HARBOR. FROM JANUARY  
TO THE END OF MAY THIS YEAR,  
WE SPENT MORE THAN FIVE MILLION  
DOLLARS FOR PENICILLIN ALONE.

AMERICA IS GREAT ONLY IF IT  
PUTS THE PURPOSE OF WAR  
BEFORE THE WAR ITSELF. YOUR  
BOND IS A SIGN OF YOUR PART  
IN THAT PURPOSE.

OURS IS A WAR OF LIBERATION,  
THE LIBERATION OF ALL PEOPLES  
FROM OPPRESSION, FROM TYRANNY,  
FROM FEAR, FROM PHYSICAL, MORAL  
AND ECONOMIC BONDAGE.

WE ARE INVOLVED IN A PARTNERSHIP  
OF NATIONS SWORN TO THE ENORMOUS  
PROJECT OF WORLD FREEDOM.

*peoples in*

WHAT WILL BE OUR SHARE IN THE  
VICTORY? -- <sup>surely</sup> THE HONORS, <sup>and</sup> NOT  
THE SPOILS?

THERE IS NO DOUBT OF THE  
ANSWER: WHO GIVES THE MOST  
WILL WIN THE MOST.

OUR COMMON CAUSE IS THE WHOLE  
RACE OF MAN. WE WILL BETRAY  
THAT CAUSE IF WE MAKE TERMS  
WITH THE ENEMIES OF MAN.

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.

*amplify*

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.

(ORCHESTRA: "SONG OF THE UNITED NATIONS")

*Copy from  
which Hoge read*

TREASURY DEPARTMENT SHOW

SOLDIER FIELD

CHICAGO

JUNE 19, 1944

1 NARRATOR:

Ladies and gentlemen, the United States Treasury Department brings you now a special broadcast. Our text is from Walt Whitman:

5 W.:

O I see flashing that this America is  
only you and me,  
Its power, weapons, testimony, are you  
and me,  
Its crimes, lies, thefts, defections,  
are you and me,  
Its Congress is you and me, the  
officers, capitols, armies, ships,  
are you and me,  
Freedom, language, poems, employments,  
are you and me,  
Past, present, future, are you and me.

17 ANNOUNCER:

Ladies and gentlemen, the Secretary of the United States Treasury, Mr. Henry Morgenthau, Jr.

SEC. MORGENTHAU:

THIS AMERICA IS YOU AND ME.  
 WHEN YOU LEND YOUR GOVERNMENT  
 MONEY FOR THIS WAR YOU JOIN A  
GREAT CRUSADE...GENERAL  
 EISENHOWER HAS CALLED IT THAT --  
A GREAT CRUSADE. YOUR BOND IS  
 A SYMBOL OF YOUR PART IN THAT  
 CRUSADE.

YOUR MONEY GOES TO THE MEN  
 FIGHTING FOR US IN THIS  
DESPERATE WAR. THEY NEED  
 THAT MONEY -- EVERY PENNY  
 YOU CAN RAISE -- THEY NEED  
 IT MORE THAN EVER BEFORE --  
 THEY NEED IT NOW FOR SHIPS  
 AND PLANES AND TANKS AND BOMBS  
 AND BULLETS -- FOR ALL THE  
 ENGINES OF DESTRUCTION BY  
 WHICH THEY MEAN TO FORCE  
SURRENDER FROM THE ENEMY --  
ON THEIR OWN GROUND -- AND TO  
BLAST A SURE FOUNDATION FOR  
 THE PEACE.

*Jan 21 1951*

SEC. MORGENTHAU:

THEY NEED MONEY FOR WAR AND  
THEY NEED IT ALSO FOR MERCY --  
MERCY IS EXPENSIVE, TOO.

THE MEDICAL DEPARTMENT OF THE  
ARMY HAS SPENT APPROXIMATELY  
ONE BILLION DOLLARS SINCE  
PEARL HARBOR. SO FAR THIS YEAR  
WE HAVE SPENT MORE THAN FIVE  
MILLION DOLLARS FOR PENICILLIN  
ALONE. WE SPENT MILLIONS  
MORE -- MANY MILLIONS -- TO  
FLY THE WOUNDED AND SICK OUT  
OF BATTLE AREAS. LAST YEAR WE  
FLEW MORE THAN 170,000 WOUNDED  
MEN TO THE SAFETY OF HOSPITALS.  
170,000 MEN -- AND OUT OF THAT  
NUMBER ELEVEN MEN DIED, THE  
REST WERE SAVED. YOUR BOND  
HELPED SAVE THOSE MEN.

SEC. MORGENTHAU:

AMERICA IS GREAT ONLY IF IT PUTS THE PURPOSES OF WAR BEFORE THE WAR ITSELF. YOUR BOND IS A SIGN OF YOUR PART IN THAT PURPOSE.

OURS IS A WAR OF LIBERATION, THE LIBERATION OF ALL PEOPLES FROM OPPRESSION, FROM TYRANNY, FROM FEAR, FROM PHYSICAL, MORAL AND ECONOMIC BONDAGE.

WE ARE INVOLVED IN A PARTNERSHIP OF NATIONS SWORN TO THE GIGANTIC PROJECT OF WORLD FREEDOM.

OUR COMMON CAUSE IS THE WHOLE RACE OF MAN. WE WILL BETRAY THAT CAUSE IF WE MAKE TERMS WITH THE ENEMIES OF MAN. IF WE MAKE TERMS WITH THAT ENEMY WE WILL BETRAY OUR LIVING HEROES AND OUR HEROIC DEAD. WE KNOW OUR ENEMY -- WE MUST NOT LET HIM TRICK US INTO A FALSE PEACE.

SEC. MORGENTHAU:

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 -- ANYWHERE EXCEPT 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.

LANA TURNER

1 That was "The Song of the United Nations" by the  
2 great Soviet composer, Dmitri Shostakovich, and  
3 played by David Broekman. This is Lana Turner  
4 speaking. You're listening to a special  
5 broadcast by the United States Treasury Department  
6 and it's coming to you from out here in Soldier's  
7 Field in Chicago, where a lot of us -- Lynn Bari,  
8 Oscar Levant, Susanna Foster, John Payne, Martha  
9 O'Driscoll, William Holden, Eileen Woods and Eddie  
10 Anderson -- to name a few, are helping out on the  
11 Fifth War Loan Drive.

JACK BENNY

1 This is Jack Benny speaking -- that's right, Jack  
2 Benny the comedian -- but right now I haven't got any  
3 jokes to tell. I'm not even going to try to make fun  
4 of Hitler. That used to be easy but it isn't any more.  
5 If you could cleanse Hitler of the blood of Europe's  
6 millions, he'd show up as the prancing little  
7 Schicklegruber we used to laugh at before we knew  
8 better. But the blood won't wash off and many men  
9 are stained with it. No, I'm not going to tell any  
10 jokes. I'd just like to say that I agree with what  
11 Mr. Morgenthau has had to say about our war terms, and  
12 I'm agreeing, not only as a private citizen, but as  
13 somebody who has seen quite a lot of our men on the  
14 fighting fronts. I think I can tell you the way they  
15 feel about it. They want to come home. They want to  
16 come home badly, but they don't want to come home with  
17 anything less than unconditional surrender. That's what  
18 they're going after and that's what they're going to get.  
19 (SLIGHT PAUSE)  
20 Here's somebody else who's been entertaining in the war  
21 theatres, Ray Bolger.

RAY BOLGER

1 Jack's right. They're pretty serious out there on  
2 the subject of surrender. America has given its word  
3 with the rest of the United Nations to destroy the  
4 Japanese and Nazi war machines. Destroy is the word,  
5 not just stop. There's a big difference. Your  
6 brothers and sisters and sons and daughters on the  
7 fighting fronts don't want you to forget that.  
8 They're sure you won't.

(MUSIC)

PAUL LUKAS

1 I'd like to tell you how proud I am of what we've  
2 been saying on this program, that America is you  
3 and me. Most of you were born here, but some of  
4 you weren't. Some of you, like me, have known the  
5 joy of becoming an American citizen. The question  
6 has been asked whether America is the symbol of  
7 freedom for all mankind. We can tell you that it  
8 is. I see before me the upraised arm of Liberty  
9 as I give you this assurance, and I wonder if all  
10 of you can appreciate the words written on the base  
11 of her statue:

12 "Give me your tired, your poor  
13 Your huddled masses yearning to breathe free,  
14 The wretched refuge of your teeming shore.  
15 Send these the homeless, tempest-tossed  
16 to me  
17 I lift my lamp beside the golden door!"

(MUSIC: COMES TO FINISH)

ME

1 This is between you and me --

2 You listening --

3 and me talking to you.

4 This is between you and me.

5 First let's get acquainted.

6 Who are you?

7 Your name, please?

8 You don't have to speak it out or write it down --

9 Just answer in your mind.

10 Your name -- ?

11 (PAUSE)

12 Your occupation -- ?

13 (PAUSE)

14 Good. Now then...

15 What have you done for the war -- ?

16 I'll put it this way:

17 What could you have done --

18 What could you have done for the war that you haven't?

19 I'll give you five seconds for that one --

20 Just answer in your mind.

21 What more could you do for the war?

(PAUSE)

ME (Cont'd)

1 Okay, the five seconds are up.

2 (PAUSE)

3 You could have used more time for that one maybe.

4 Maybe you've forgotten something.

5 It's a tough question.

6 What can you give the war besides what you've given?

7 What could you be doing?

8 What aren't you doing?

9 I'll give you another five seconds.

10 (PAUSE)

11 Time's up.

12 Take more time if you need it,

13 take time after this broadcast,

14 or take it now.

15 Think about yourself,

16 and then about the war

17 and then about yourself again.

18 Turn off the radio and do that.

19 Your thoughts on the subject are more important than

20 any broadcast.

21 However, we urge you to stay tuned to this program if

22 you want to --

(CONTINUED)

ME (Cont'd)

- 1 it's all about you.
- 2 That's what I'm going to talk about.
- 3 I'm going to talk about you.

- 4 I know,
- 5 You want to know who I am.
- 6 I know what you're saying:
- 7 or I think I know --
- 8 If I could tune in on you

9 here's what I think I'd get:

A MAN'S VOICE

(MUSIC: WORRIED,  
DISTANT, GHOSTLY --  
COLOR RATHER THAN  
MELODY)

- 10 Me?
- 11 What's he want from me?
- 12 And anyway,
- 13 who's he?

ANOTHER MAN'S VOICE

14 Who's that talkin' on the radio?

WOMAN'S VOICE

15 What's he after?

GIRL'S VOICE

16 What kind of broadcast is that?

SECOND MAN'S VOICE

1 ....Why's he giving me five seconds  
2 for me to tell myself what I could do?  
3 I'll take my own good time, Mister.

A GIRL'S VOICE

5 (SLOWLY, QUIETLY)

6 I know what I could do....

(MUSIC: A NEW THEME IS  
INTRODUCED HERE -  
WARM BUT UNHAPPY.  
THIS DOES NOT SEGUE  
FROM THE OTHER CUE  
BUT WASHES UP OVER  
IT MAYBE WORKING IN  
COUNTERPOINT)

ANOTHER GIRL

7 What's that?

FIRST GIRL

8 I know...

THE SECOND GIRL

9 Listen, you've done plenty.  
10 So have I -- I've done my share.  
11 I've bought more bonds than any girl in my office.  
12 What's gripin' you?  
13 You've given blood, haven't you?  
14 Three times, you told me.  
15 What's eatin' you?  
16 You've done enough.

THE FIRST GIRL

1 (SLOWLY, QUIETLY)  
 2 Enough? How much is that?  
 3 My brother's in the South Pacific,  
 4 my boy friend's in Italy.  
 5 I wonder...  
 6 I wonder what they'd say about it.  
 7 How much is enough?

A MAN'S VOICE

8 (ELDERLY, WARM...FADING IN)  
 9 You hear what that man's sayin', don't you --  
 10 what he's askin' us -- ?

A WOMAN'S VOICE (HIS WIFE)

11 I know, I know, --  
 12 The curtains and the slip covers --  
 13 They didn't cost much...  
 14 It looked so shabby here.

THE MAN

15 (MILDLY)  
 16 Better'n a fox hole.

THE WOMAN

17 I know...

THE MAN

1 I'm not blaming you....  
2 I could'a bought a bond last month  
3 with what I lost at poker.

ANOTHER MAN ("THE WARM THEME" COMES  
OUT HERE AND IS RE-  
PLACED BY A QUERILIOUS  
BUZZING)

4 (QUERILOUSLY)  
5 A fella's gotta have some fun, don't he?

ANOTHER WOMAN

6 I'm lonely.  
7 Don't have many friends out here....  
8 I work in a war plant.  
9 Been working more than a year.  
10 My home's a long way off --

ANOTHER MAN

11 I help make shells  
12 but I'm old,  
13 too old for the work.  
14 I'm going to quit.

(ON CUE 'QUIT' THE BUZZING  
FADES OUT AND IS RE-  
PLACED BY A DISTANT  
MUTED TRUMPET)

OLD WOMAN

15 I see where General Marshall says we're going to have  
16 to build new war plants.  
17 Guess they need everybody they can use.

18 Guess I'll stay on the job. (THIS VOICE FINISHES ON DEAD  
AIR. THE NEXT VOICE IS  
USHERED IN BY NEW MUSIC)

ANOTHER MAN

1 I'm a street car conductor.  
 2 I take 'em to work and take 'em back.  
 3 You oughta see the crowds,  
 4 the shovin' and the heat...  
 5 I get so tired I can hardly stand.  
 6 But here's the way I look at it,  
 7 No matter how they cuss me out  
 8 they're all my friends.  
 9 What they're holdin' out to me is nickels -- not  
 10 bayonets.  
 11 I've got some money saved up for a fishing trip.  
 12 Guess that'll wait.  
 13 Guess I'll put it into bonds before I change my mind.

A LOUD MAN'S VOICE

14 Well, I work hard,  
 15 nobody can say I don't,  
 16 but a fella's gotta have some fun once in a while --  
 17 Excuse me while I get the door.

BOY'S VOICE

18 Telegram for you, mister.

THE LOUD MAN

1 (READING QUIETLY) The Secretary of War desires that I  
2 tender his deep sympathy to you in the loss of your son,  
3 \_\_\_\_\_ . Report now received  
4 states that he was killed in action on the fifteenth  
5 of May somewhere in Italy. Adjutant General.

6 (CROSS FADE TO:)

ANNOUNCER'S VOICE

7 \_\_\_\_\_ paid \_\_\_\_\_ in the first race,

8 (VOICE FADES DOWN UNDER:)

THE FIRST GIRL ("THE WARM THEME"  
HERE AGAIN)

9 I know what I could do.  
10 They need women in the services.  
11 I'm going to enlist.

THE SECOND GIRL

12 You? A Wac?!  
13 Honey, please, don't make me laugh!  
14 You weren't made to be a soldier.

TREASURY DEPARTMENT SHOW  
6/19/44 -18-

## FIRST GIRL

- 1 Neither was my brother -- my little brother --  
2 but he cleaned up a Jap machine gun nest.  
3 Somebody's got to take his place behind the lines  
4 or he can't do it again...  
5 I'm going to enlist.

## A NEW WOMAN'S VOICE

- 6 (BELLIGERENTLY)  
7 What am I doing?  
8 (SLIGHT PAUSE) What am I doing?...  
9 Eating and sleeping,  
10 going to work, going to the movies --  
11 What can I do?

## A MAN

- 12 I'm doin' as much as the next fella. (THE "BUZZING" MUSIC  
FADING OUT AS THE  
VOICES FADE)

## ANOTHER MAN

- 13 Who's that guy on the radio?

## A WOMAN

- 14 Yeah?...Who's he?

## ANOTHER MAN

- 15 Let him mind his own business.

## A WOMAN

- 16 Where does he get off?  
17 (SLIGHT PAUSE)

ME

- 1 You're asking that, too...
- 2 You must be....
- 3 You're saying:
- 4 Who am I --
- 5 Who am I to talk about you?
- 6 If it comes to that, what am I doing for the war?
- 7 Who am I, anyway?
- 8 Where do I get off?
- 9 Well.....
- 10 I get off at the same stop on the bus you take,
- 11 That's where I get off.
- 12 I work at the next desk,
- 13 I live in the next house,
- 14 I'm the next man in line,
- 15 I'm the other fellow.
- 16 You know me --
- 17 the other fellow.
- 18 I'm supposed to stop at the red light.
- 19 I'm supposed to save my tires.
- 20 I'm supposed to share the ride.
- 21 You've heard 'em say, "Let George do it -"
- 22 Call me George.

(CONTINUED)

ME (cont'd)

- 1 I'm the other fellow.
- 2 I'm supposed to stay at home on my vacation.
- 3 I'm supposed to vote when you forget to.
- 4 I'm the other fellow.
- 5 What about me?
- 6 Maybe you went to the black market yesterday
- 7 and stole some gasoline from our fighting men.
- 8 Maybe you quit your job this morning in the war plant.
- 9 Maybe you lost the dearest thing on earth
- 10 an hour ago on the beaches of France.
- 11 Maybe you bought an extra bond,
- 12 or was it a fur coat?
- 13 or don't you know what happened to the money?
- 14 Can't you remember all the fun you spent it on?
- 15 Or have you bought more bonds than anybody in your office
- 16 or your neighborhood
- 17 or your city?
- 18 Have you bought more bonds than I did?
- 19 Anyway,
- 20 You're you.
- 21 Okay, you've heard all this before.
- 22 Okay.
- 23 It's as plain as the nose on your face?
- 24 As obvious as breathing?

(CONTINUED)

ME (Cont'd)

- 1 Okay,
- 2 Stop breathing --
- 3 Try it -- I'm serious, try it now.
- 4 Hold that nose of yours and hold your breath.
- 5 I'll give you five seconds.

(PAUSE)

- 6 Time's up.
- 7 Nice to be breathing again, isn't it?
- 8 I'll tell you something.
- 9 During that last five seconds
- 10 while you held your breath,
- 11 a lot of men,
- 12 an awful lot of our men,
- 13 stopped breathing for good.
- 14 They were fighting men,
- 15 and they were fighting for plain, obvious things
- 16 such as life, and liberty, and the pursuit of happiness.
- 17 They were fighting for you --
- 18 Yes, I know
- 19 they were fighting for me, too,
- 20 but we aren't talking about me.
- 21 I'm just the other fellow, remember --
- 22 I don't matter as much.  
(CONTINUED)

ME (Cont'd)

1 I'll tell you who you are --  
2 you're the one that counts --  
3 you're the one that makes the difference.  
4 I'm just the other fellow --

5 If I tried  
6 I couldn't lose the war without your help.  
7 And you --  
8 you're going to win the war.  
9 I can't win it without you.  
10 One of you and one of me --  
11 that's simple arithmetic --  
12 one of you and one of me makes two of us,  
13 and two of us makes we, the people.

14 We, the people are the justice of this war,  
15 the goodness and the greatness fighting it.  
16 We, the people are the hope of the world.  
17 Sounds big, doesn't it?  
18 It is.  
19 It's big.  
20 Bigger than all the mountains and the oceans,  
21 bigger than pyramids or skyscrapers,

(CONTINUED)

ME (Cont'd)

- 1 bigger than anything we've ever built,
- 2 bigger than anything we're going to build.
- 3 That's you and me.
- 4 That's we, the people.
  
- 5 Let the scientists count the molecules
- 6 if they can,
- 7 let them calculate the light years
- 8 from here to the most distant star.
- 9 No man can guess how many there are going to be of us,
- 10 or how far we're going.

(GRUENBERG NUMBER HERE TO FINISH)

(Chicago)

June 19, 1944

The Editor  
Chicago Tribune  
Tribune Tower  
Chicago, Illinois

Dear Sir:

I was pleased to see the illustrated half page in color on the Fifth War Loan in this morning's Chicago Tribune.

I was very much impressed by this unusual and powerful method of educating the people of Chicago on the way Chicago's specialized Fifth War Loan drive is being conducted.

I want to offer my sincere congratulations for a splendid job.

Yours very truly,

Henry Morgenthau, Jr.

JOHN EDGAR HOOVER  
DIRECTOR



Federal Bureau of Investigation  
United States Department of Justice  
Washington, D. C.

June 19, 1944

PERSONAL AND CONFIDENTIAL  
BY SPECIAL MESSENGER

The Honorable  
The Secretary of the Treasury  
Washington, D. C.

My dear Mr. Secretary:

You will recall our previous correspondence relating to Irving Irwin Rothman who impersonated Henry Morgenthau, III, in Atlanta, Georgia.

I thought you would be interested to know that Rothman was discharged from the Army at Fort McPherson, Georgia, on June 14, 1944, and was immediately taken into custody by Special Agents of this Bureau. It was charged that Rothman, while assigned to Fort McPherson, had stolen a watch and a wallet containing \$125.00 in cash, the property of an officer assigned to that post. He was arraigned before the United States Commissioner in Atlanta, Georgia, on a complaint charging theft on a Government reservation. He pleaded not guilty at the hearing before the Commissioner and bond was set at \$500.00. He waived final hearing and was released after posting the required bond.

With kind personal regards,

Sincerely,

J. Edgar Hoover

*Boston is handling -*

THE WHITE HOUSE  
WASHINGTON

June 19, 1944.

MEMORANDUM FOR  
THE SECRETARY OF THE TREASURY

All things considered, I think it is best to go ahead with the appointment of William H. Burke as Collector of Customs at Boston. He may not seem the right type of man to make a satisfactory Collector but, on the other hand, he may turn out to be extremely good at it. Remember the old boy in Maryland, just outside of Washington, who did not look to be so good but turned out to be a peach -- one of your most beautiful McIntoshes.

Will you let me have a nomination for him to send up?

F. D. R.

TREASURY DEPARTMENT  
Washington

FOR RELEASE, MORNING NEWSPAPERS,  
Monday, June 19, 1944.

Press Service  
No. 42-36

Secretary Morgenthau announced today that, contrary to an impression created by recent press articles, the Treasury Department has no intention of opposing, because of possible adverse effects on Federal revenues, reductions in rates charged by public utility companies.

"The Department," he said, "does not wish to be considered as giving even tacit approval to the suggestion being made in some quarters that public utility rate reductions should not be put into effect because one result would be a loss of Federal revenues, particularly through reduction or elimination of Federal excess profits taxes.

"Public utility rates are under the jurisdiction of public regulatory bodies, usually state public service commissions, set up for the purpose of protecting the public by seeing to it that the rates charged are reasonable. The responsibility is theirs, and if the setting of reasonable rates results in the Federal Government collecting less excess profits taxes, the Treasury Department is prepared to accept that result."

-oOo-

## TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

CONFIDENTIAL

DATE June 19, 1944

TO Secretary Morgenthau  
FROM Mr. Haas  
Subject: The Business Situation,  
Week ending June 17, 1944.

Summary

Stock market: Recent apprehension over invasion prospects was brushed aside last week as traders and investors interpreted military developments bullishly, and bid up stock prices on sharply increased trading activity. Industrial stock prices rose slightly above last year's high, while trading volume for the week was the largest since early May 1943. Industrial stock prices in London last week rose to a new high for the entire war period.

Commodity prices: Commodity prices on the whole have shown more strength than weakness since the invasion got under way, with the rise in stock prices and possible amendments to the Price Control Act aiding speculative sentiment. The BLS index of basic commodity prices in the past 2 weeks has risen 0.1 percent due to advances in cotton and rosin.

Living costs: The BLS cost-of-living index in May rose 0.4 percent above the previous month and now stands close to the peak reached in May 1943. A decline in food prices in the past year has been largely offset by advances in prices of clothing, household furnishings, and the cost of various services.

National income: After reaching a record high of \$155.2 billions in February, the annual rate of income payments declined to \$154.7 billions in March and \$154.2 billions in April. A greater than seasonal decline in income payments in April was due to a tapering off in payment of retroactive wage increases to railroad employees.

Employment and wages: Factory employment in May declined for the 6th consecutive month. As a result of a further drop of 1.2 percent in May, the aggregate decline from last November's war-time peak has been 7.1 percent. The total number of factory workers employed at mid-May was approximately 1 million less than at the peak last November, primarily because of an insufficient labor force.

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Stock prices advance to war-time high

Uncertainty over invasion prospects which has restrained stock trading in recent months gave way to rising optimism and large scale buying of stocks last week, as traders and investors interpreted recent military developments bullishly. The initial market response on June 6 to overnight announcement of the invasion of France was relative steadiness, although trading expanded and railroad securities weakened noticeably, particularly second-grade and defaulted railroad bonds. However, before the end of the first week of the invasion, a recovery in railroad security prices was under way and industrial stock prices were showing slightly firmer tendencies, with low-priced motor stocks strong and active.

This moderate display of strength broadened out considerably last week, and by Friday both the industrial and railroad stock averages had risen to new highs on the largest volume of trading activity since May 1943. (See Chart 1.) The rise in prices was extended on Saturday, with trading volume reaching the highest level for a 2-hour session since 1941. At the close of the week the Dow-Jones average of 65 stocks was about 4 percent higher than on the eve of the invasion, while the industrial stock average slightly exceeded last year's high.

The strength in stock prices following the successful establishment of a beachhead on the French coast would appear to substantiate comments of recent months that traders and investors were withholding funds from the market pending the outcome of the invasion. In this connection it is of interest that the short account in the market showed a further increase of 91,000 shares in May. This carried the total short interest on the New York Stock Exchange at the end of last month to 1,181,000 shares, the largest figure reported since May 31, 1938.

Second-grade railroad bonds below pre-invasion levels

Although railroad stock prices strengthened noticeably last week and rose to a new high since 1937, a gradual recovery in second-grade railroad bonds failed to regain all of the losses incurred in the first 3 days of the invasion. At the close on Saturday the Dow-Jones average of second-grade railroad bonds was still about 2 percent below the pre-invasion level. As might be expected, dollar bonds of Axis-occupied countries responded favorably to news of the invasion,

- 3 -

with bonds of western European countries showing unusually sharp gains. (See Chart 2.) Since the invasion got under way our index of these issues has reached the highest level since August 1939. Dollar bonds of eastern European countries have risen moderately since the end of last month, but our index is still somewhat below the war-time high attained in mid-May.

Meanwhile, security prices in the London market also have responded favorably to invasion developments, with industrial stock prices showing steady gains until the middle of last week when the advance began to level off. The high reached by industrial stocks last week (see Chart 3) is a new high for the entire war period.

#### Commodity prices steady on invasion news

News of the opening of the western European front on June 6 had relatively little effect on commodity prices. After an initial period of irregularity, some sagging of prices occurred during the latter part of the invasion week in both spot and future markets but prices in the following week again turned upward. (See Chart 4.) A rising trend in the stock market, and the possibility that amendments may be included in the Price Control Act that would be bullish for farm prices, have been strengthening factors in the commodity markets.

#### Basic commodities slightly higher

Rising prices for cotton and rosin have been responsible for a slight further advance (0.1 percent) in the BLS price index of 28 basic commodities in the last two weeks. (See Chart 5.) Cotton was up 1.6 percent and rosin 5.5 percent, but these were partly offset by lower prices for wheat and wool.

Rising farm prices have also been reflected in the BLS all-commodity index, which showed a further gain of 0.1 percent in the two weeks ended June 10. At 38.7 percent above the pre-war August 1939 average, the index is holding at the same level as last year. In the most recent week, wholesale prices of farm products rose 0.9 percent, with higher quotations for cows, steers, sheep, cotton, wheat, eggs, apples, onions, and sweet potatoes. On the other hand, lower prices were recorded in most markets for rye, heavy hogs, live poultry and white potatoes.

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The continuing rise in prices of farm products is appreciably raising wholesale food prices. The BLS group index of food prices at wholesale rose 0.5 percent in the two weeks ended June 10, with advances most noticeable in fruits and vegetables.

#### Cost of living higher in May

The BLS cost-of-living index for May showed a further moderate increase, rising to 126.8 percent of the June 1939 pre-war level from 126.3 in April. (See Chart 6.) The combined index is now practically at the peak reached in May last year, but the components show divergent trends.

Retail food prices have declined appreciably since May 1943, chiefly because of three factors: (1) the subsidy program, (2) ceiling prices placed on certain fruits and vegetables after the early-1943 price rise, and (3) food surpluses (partly due to inadequate storage facilities) which developed in such farm products as eggs and meats. The decline in food prices over the past year has been offset by marked advances in clothing prices, household furnishings, and costs of various services.

The BLS cost-of-living release this month contains this explanatory notation: "The index does not show the full war-time effect on the cost of living of such factors as lowered quality, disappearance of low-priced goods and forced changes in housing and eating away from home." The CIO executive board has interpreted this as a vindication of its criticism of the index, and has called upon the WLB and the Government to "cease forthwith to rely upon the Bureau of Labor Statistics index as a measurement of war-time living costs."

#### Billion-bushel wheat crop forecast

The wheat crop this year will establish a new record of 1,035,000,000 bushels, according to the June 1 crop forecast of the Department of Agriculture. This compares with 836,000,000 bushels last year, and with the previous record crop of 1,009,000,000 bushels produced in 1915. Favorable weather increased the prospective winter wheat crop by 112,000,000 bushels during April and May, while the first official forecast of the spring wheat crop was far above even the most optimistic trade expectations. The excellent crop outlook has tended to depress wheat prices in recent weeks. The Chicago September future at the end of last week was 7 cents a bushel lower than at the beginning of May.

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The general crop report of June 1 states that growing conditions in recent weeks for most crops have been unusually favorable, and national crop prospects appear better than on this date in any of the past 10 years except 1942. The condition of pastures on June 1 was the highest since 1922, although drought conditions remain serious in some areas of the West and Southwest. Corn prospects appear only fair, with planting late and a considerable area yet to be planted.

The condition of deciduous fruits on June 1 indicates that this year's total crop of such fruits may be as much as 22 percent higher than last year, largely because of an indicated increase of 60 percent in the peach crop. A commercial apple crop "somewhat larger" than last year is expected by the Department of Agriculture, with an average June 1 condition of 72, as compared with 62 last year. Prospects for citrus fruit from this year's bloom is reported as "favorable for good crops."

The tonnage of commercial truck crops for spring harvest is estimated as 15 percent greater than last year, while the indicated tonnage from early summer acreage is expected to be 21 percent larger than last year. The condition of the early potato crop, on the other hand, is the lowest since 1936, and yields in most early potato states are very low.

While the Department of Agriculture made no report on cotton, a forecast made by the Journal of Commerce as of June 1 indicated a planted acreage of 20,151,000 acres, or 8.2 percent less than last year. With a crop yield equal to last year's, this acreage would give a relatively small crop, and mills would probably require considerable cotton from Government stocks. This may have prompted the recent calling of 1942 crop loans, effective in mid-August, by the Commodity Credit Corporation. It has also doubtless been a factor in the rise in cotton prices recently.

#### The food outlook

The invasion is expected to have virtually no immediate effect upon the civilian food outlook, since invasion needs and supplies for liberated countries had already been anticipated and set aside, according to WFA statements to the press. An analysis of the general food situation by the Bureau of Agricultural Economics indicates that most foods

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will be in plentiful supply for civilians during the early summer, but looking several months ahead the outlook is not quite so favorable.

While total meat supplies will remain large through most of the July-September quarter, they will later decline somewhat as production decreases seasonally, and the quality will be lower because of an increase in the proportion of grass-fed cattle and low-quality hogs. The civilian supply of butter this summer is likely to be less than in recent months, perhaps about the same as last summer, while total butter production this year will be less than in 1943.

Egg production is expected to show a greater than seasonal decline after the April-May peak, but the civilian supply of eggs this summer will probably be larger than last year. (The WFA has disposed of about 95 carloads of surplus eggs for livestock feed at 5 cents a case, which it bought recently for support purposes at 26 to 27 cents a dozen.)

Civilian supplies of food fats and oils, now at the highest level since food fats were first rationed, are not likely to be maintained beyond this summer. Lard output in the season beginning next October will probably be substantially smaller than this season, and later in the year stocks of lard held for lend-lease and liberated areas are likely to be substantially reduced.

#### National income payments decline slightly

The annual rate of national income payments has been declining slightly, after reaching a record high in February. In comparison with a peak of \$155.2 billions in February, the annual rate of payments decreased to \$154.7 billions in March and \$154.2 billions in April. (See Chart 7, upper section.) However, the slightly greater than seasonal decline in April was due to a tapering off in payment of retroactive wage increases to railroad employees. Apart from this factor, the rate of income payments in April in the aggregate showed no change from the previous month, since gains in farm operators' income and pay of the armed forces offset declines in factory payrolls, farm wages, and wage payments in retail trade and construction.

In contrast to the moderate decline in factory payrolls since last fall, Government payrolls continue to rise, largely in reflection of steadily mounting disbursements for military pay. Government payrolls (including military) accounted for

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slightly more than one sixth of total income payments in April and were 23 percent higher than a year earlier, thus showing the largest gain of any income component. (Refer to Chart 7, lower section.) Despite the declining tendencies of recent months, payment for salaries and wages in the commodity producing industries (chiefly manufacturing) during April were still slightly above last year's levels, and comprised more than 31 percent of total income payments.

#### Factory employment shows further decline

The downward trend in factory employment which has been in evidence since last November continued in May. At mid-May factory employment was about 1.2 percent less than a month earlier and 7.1 percent less than at the war-time high last November. The number of factory workers employed in May was about 165,000 less than in April and approximately 1 million less than in November 1943. From last November to May employment in the transportation equipment and chemical industries dropped almost 200,000 and 150,000, respectively, while the iron and steel, machinery and automobile industries showed declines of nearly 100,000 each.

While curtailments and completion of war contracts have contributed to the decline in employment, the inroads of the draft and difficulties of obtaining labor for lower paid jobs or unusually heavy work have cut employment in many industries. Indicative of the continuing tight manpower situation, WPB Chairman Nelson has just stated that at least 200,000 workers will have to shift to war production areas of acute manpower shortages before much further progress can be made in re-conversion to civilian goods production.

Factory payrolls figures for May are not yet available but data just obtained for April reveal that payrolls in that month showed a further decline of 1.9 percent thus extending the aggregate decline since last November to 5.4 percent. Estimated average weekly earnings of factory workers in April, however, were only a trifle under the war-time peak reached in the previous month. (See Chart 8.)

#### Reconversion problems engage attention

With the long heralded invasion of Western Europe actually under way and our global military operations gaining momentum, interest in reconversion problems is again to the fore, with many observers expressing dissatisfaction over the progress thus far made. Former Price Administrator Leon Henderson in a recent speech asserted that the country "is not getting

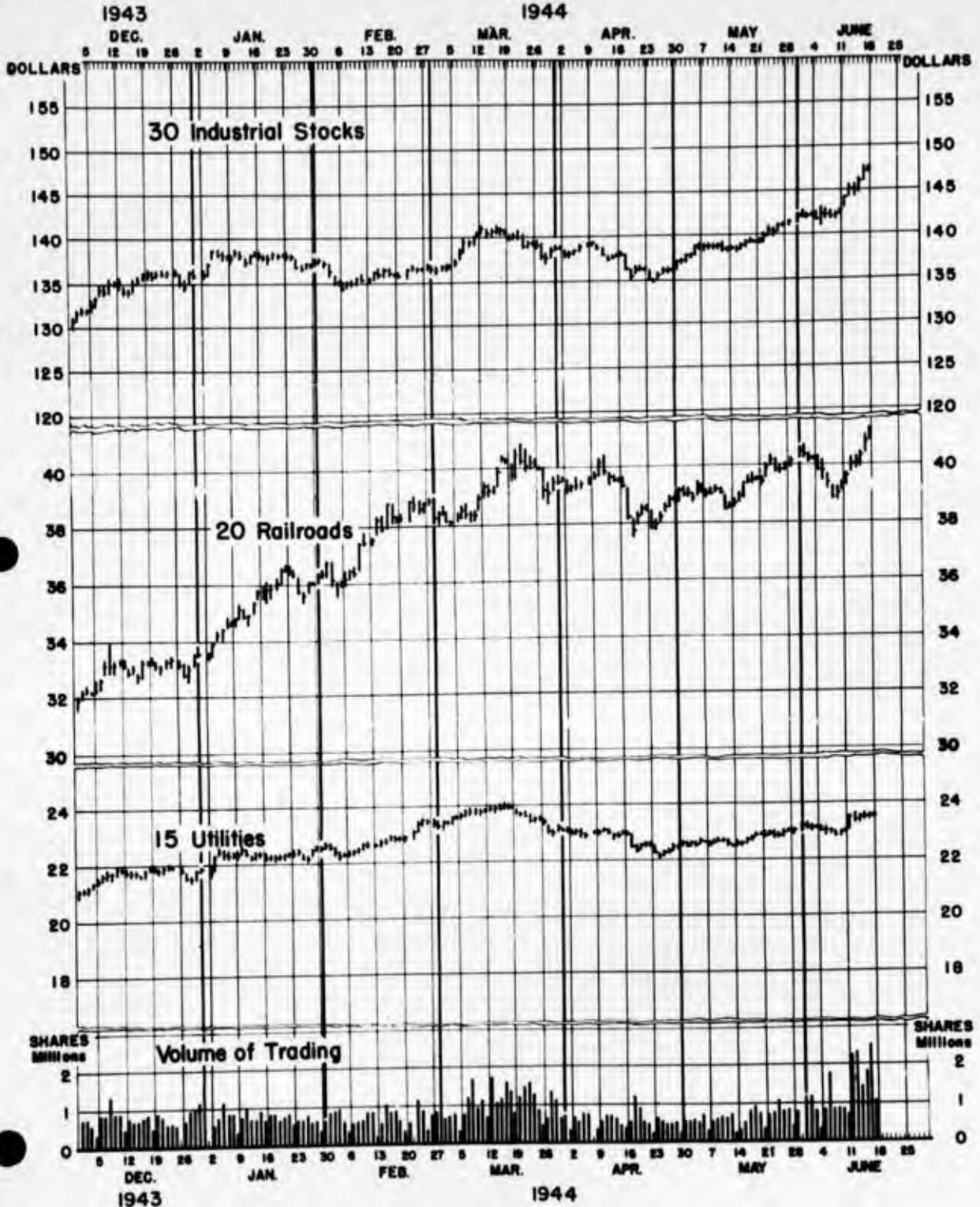
- 8 -

anywhere" in its post-war planning, and alluded particularly to the need for action in connection with the problems of contract termination and the disposal of surplus goods in the hands of the Government. Likewise War Mobilization Director Byrnes last week urged Congress to speed up action on post-war legislation, and particularly stressed the need for House action on the bill already passed by the Senate covering termination of war contracts. Among other measures, Mr. Byrnes also recommended early enactment of legislation to define policies for the disposal of surplus war property, and suggested immediate work on a post-war tax bill.

In connection with reconversion activities of the executive departments, the War Mobilization Director revealed that a directive has been sent to procurement agencies requiring clearance with the WPB Production Executive Committee of all planned contract terminations. This measure is designed to forestall a repetition of the recent Brewster Aeronautical case, in which the Navy abruptly terminated a contract for fighter planes. In line with the above-mentioned directive, the WPB announced last week that a group has been set up under Vice Chairman Bunker for the specific purpose of keeping advised of Army-Navy cutbacks far enough in advance so that alleviating action can be taken by the WPB.

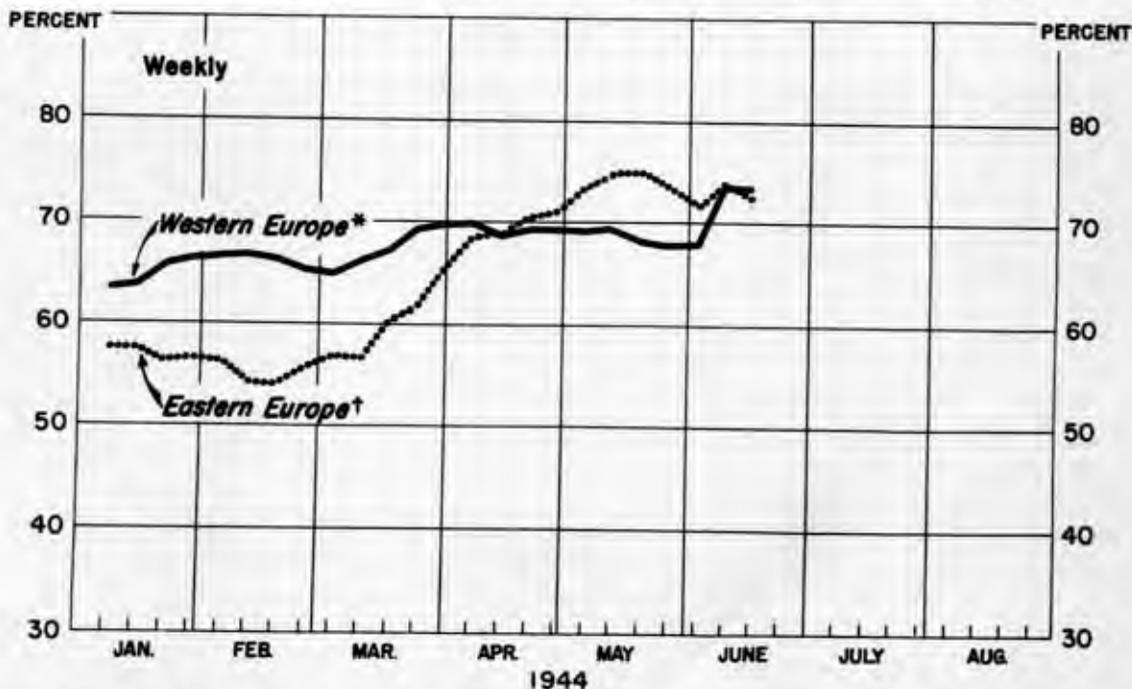
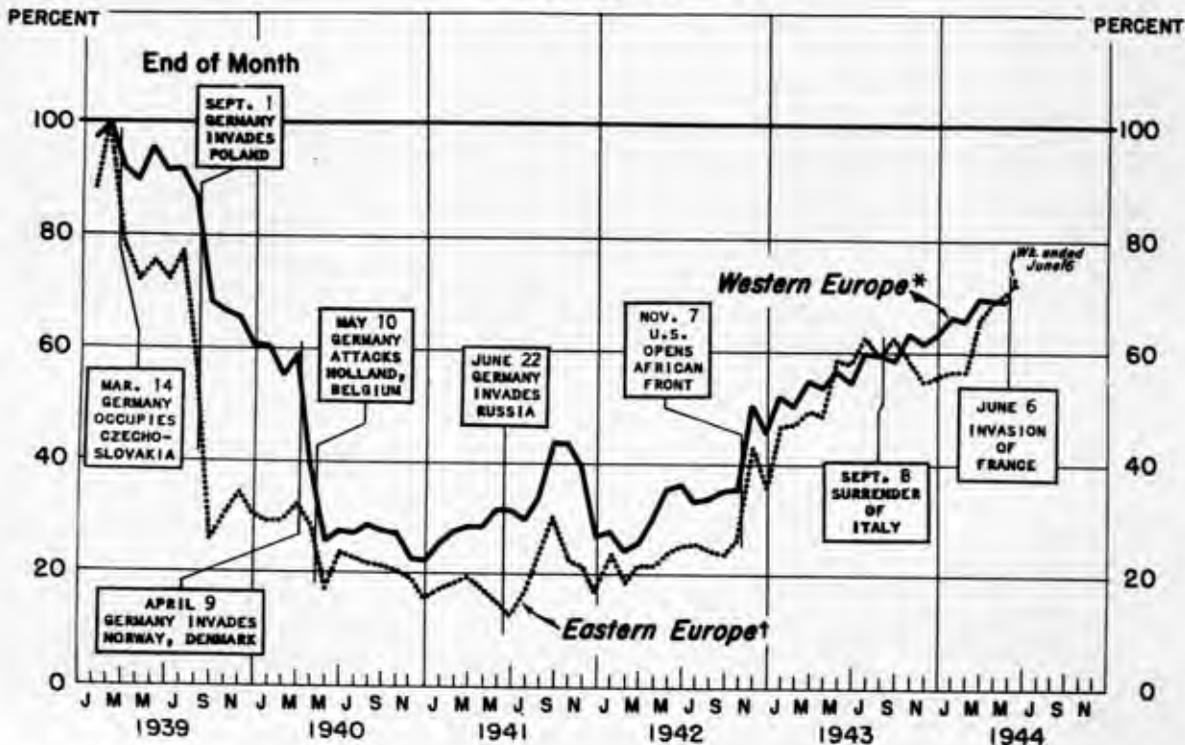
# STOCK PRICES, DOW-JONES AVERAGES

Daily



# PRICES OF SELECTED DOLLAR BONDS OF AXIS OCCUPIED COUNTRIES

February 28, 1939=100

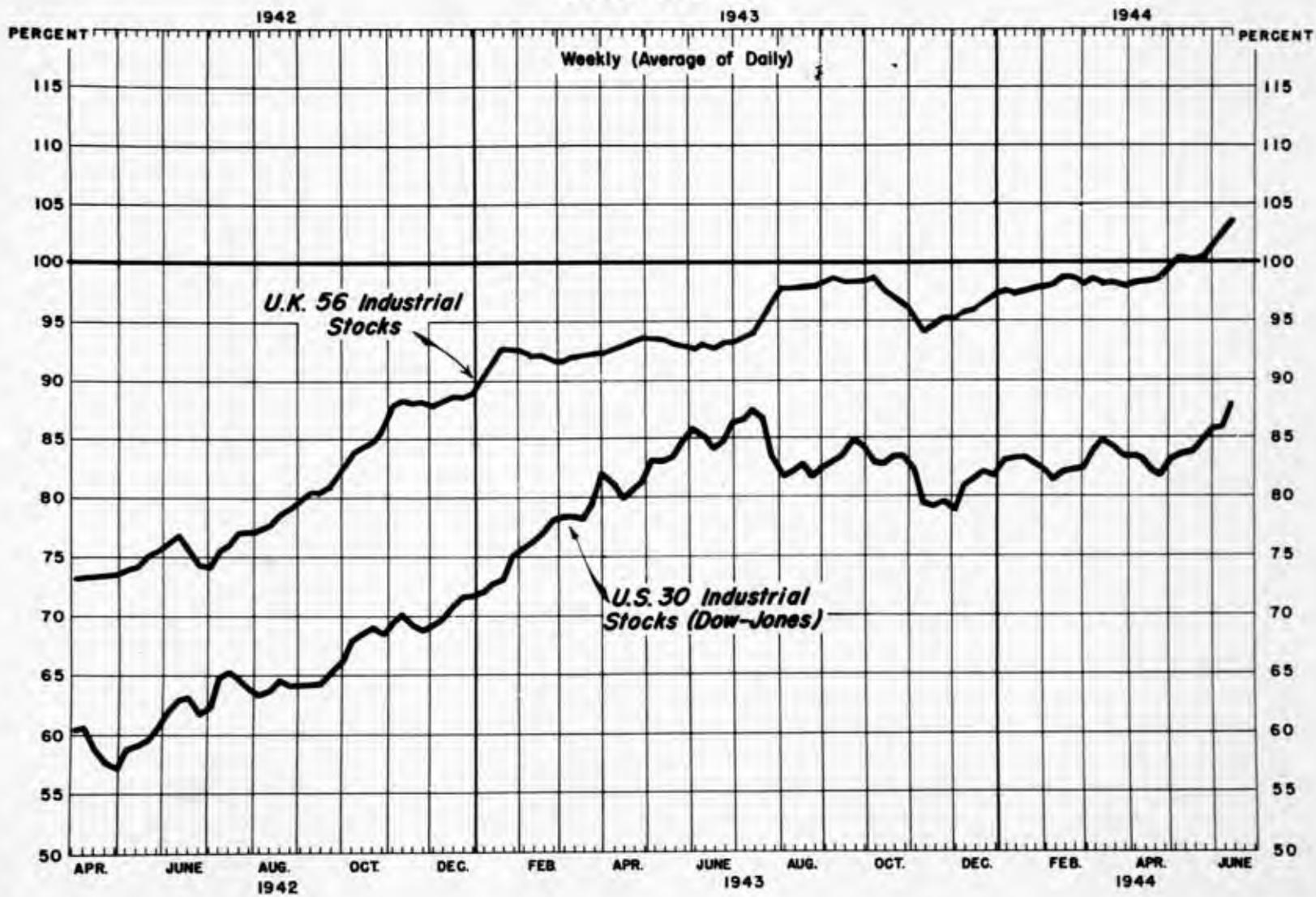


\* Denmark 6's, 1942; Antwerp 5's, 1958; Copenhagen 5's, 1952

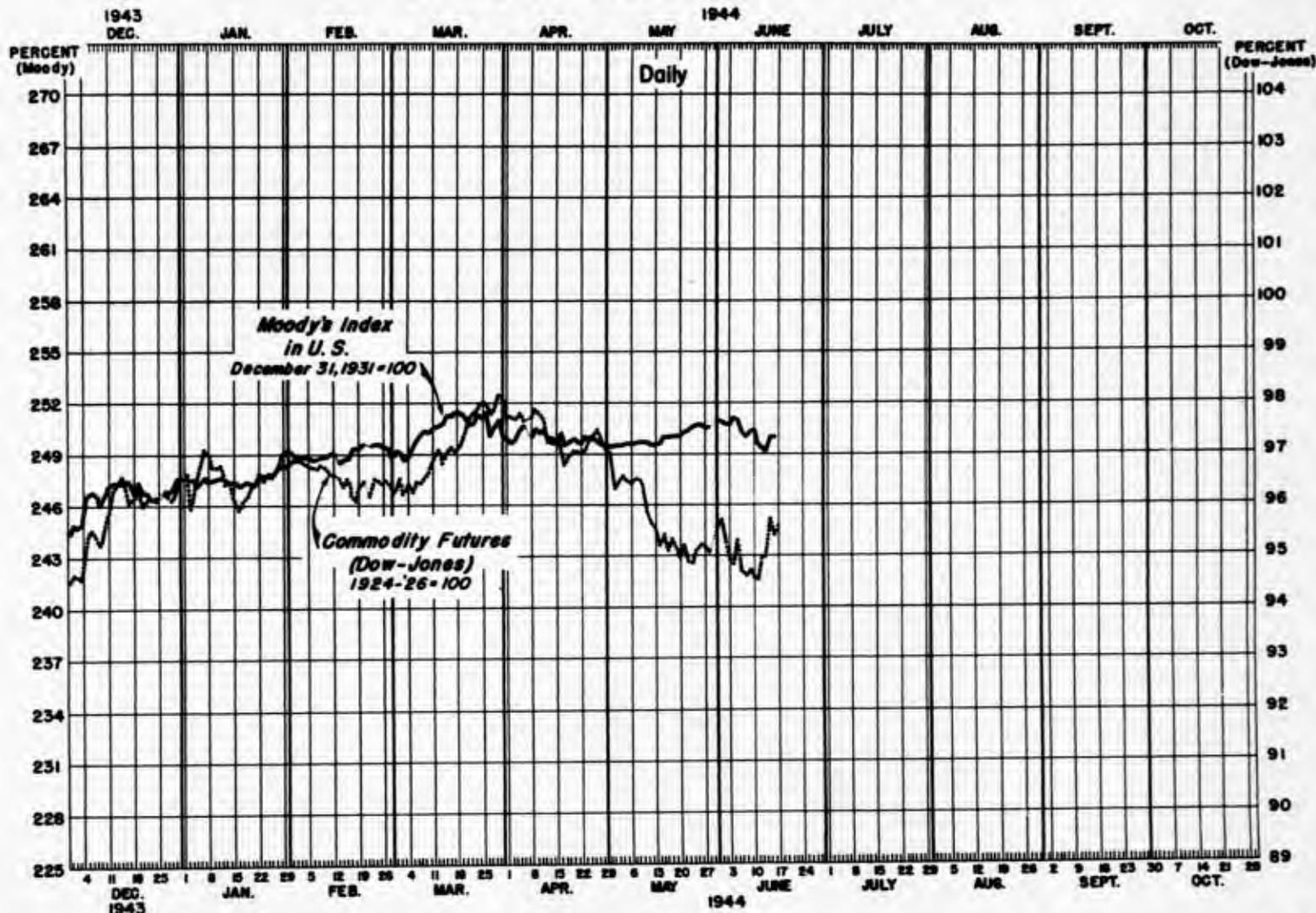
† Czechoslovakia 8's, 1951; Poland 4½'s, 1968, assented; Serbs, Croats and Slovenes 8's, 1962

# INDUSTRIAL STOCK PRICES IN U.S. AND U.K.

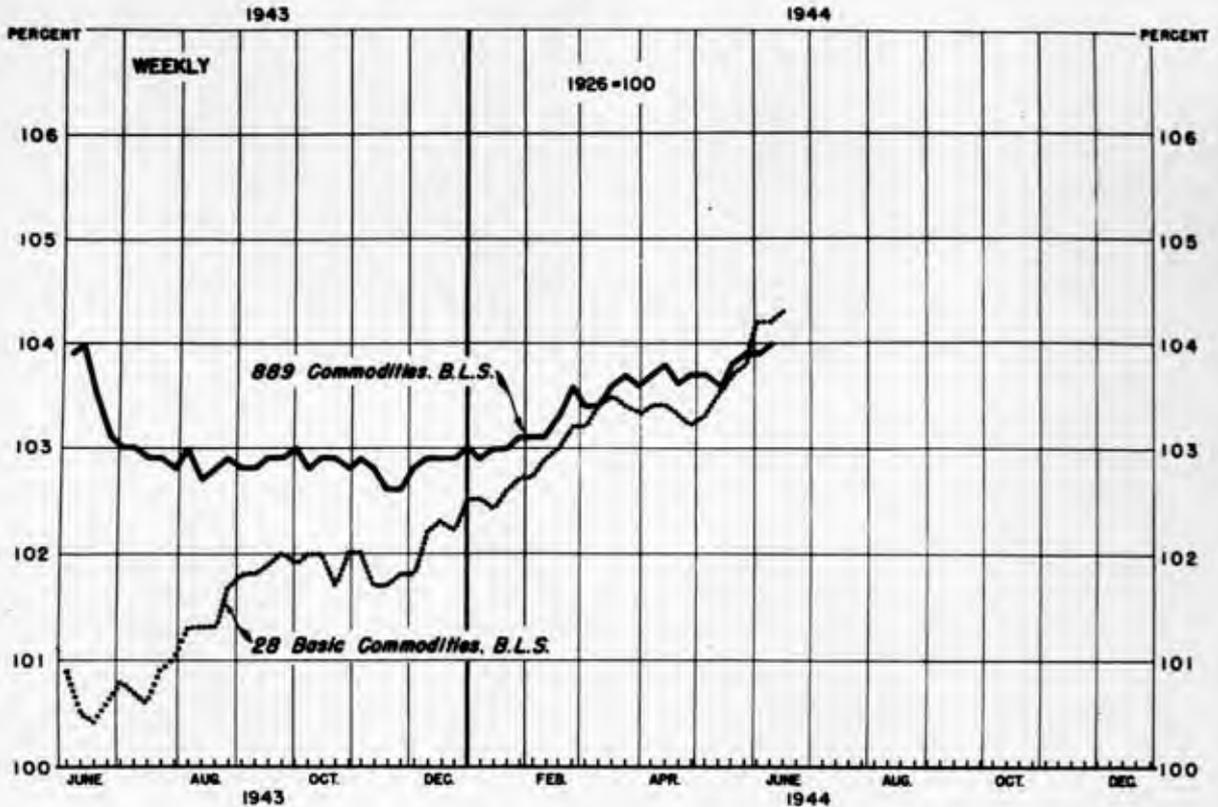
AUGUST 1936 = 100



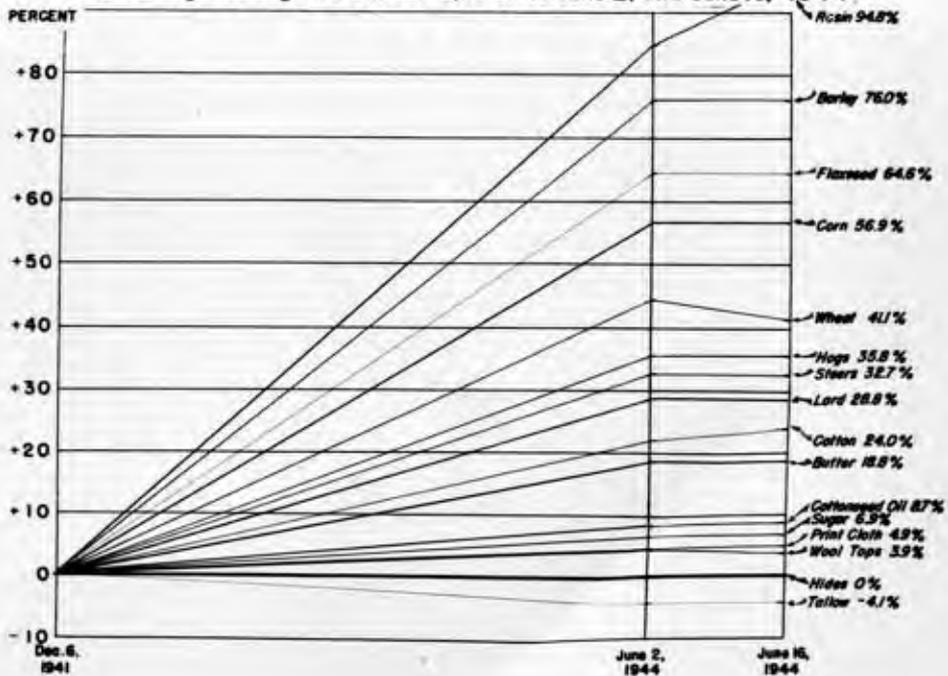
# COMMODITY PRICE INDEXES IN U.S.



# WHOLESALE COMMODITY PRICES



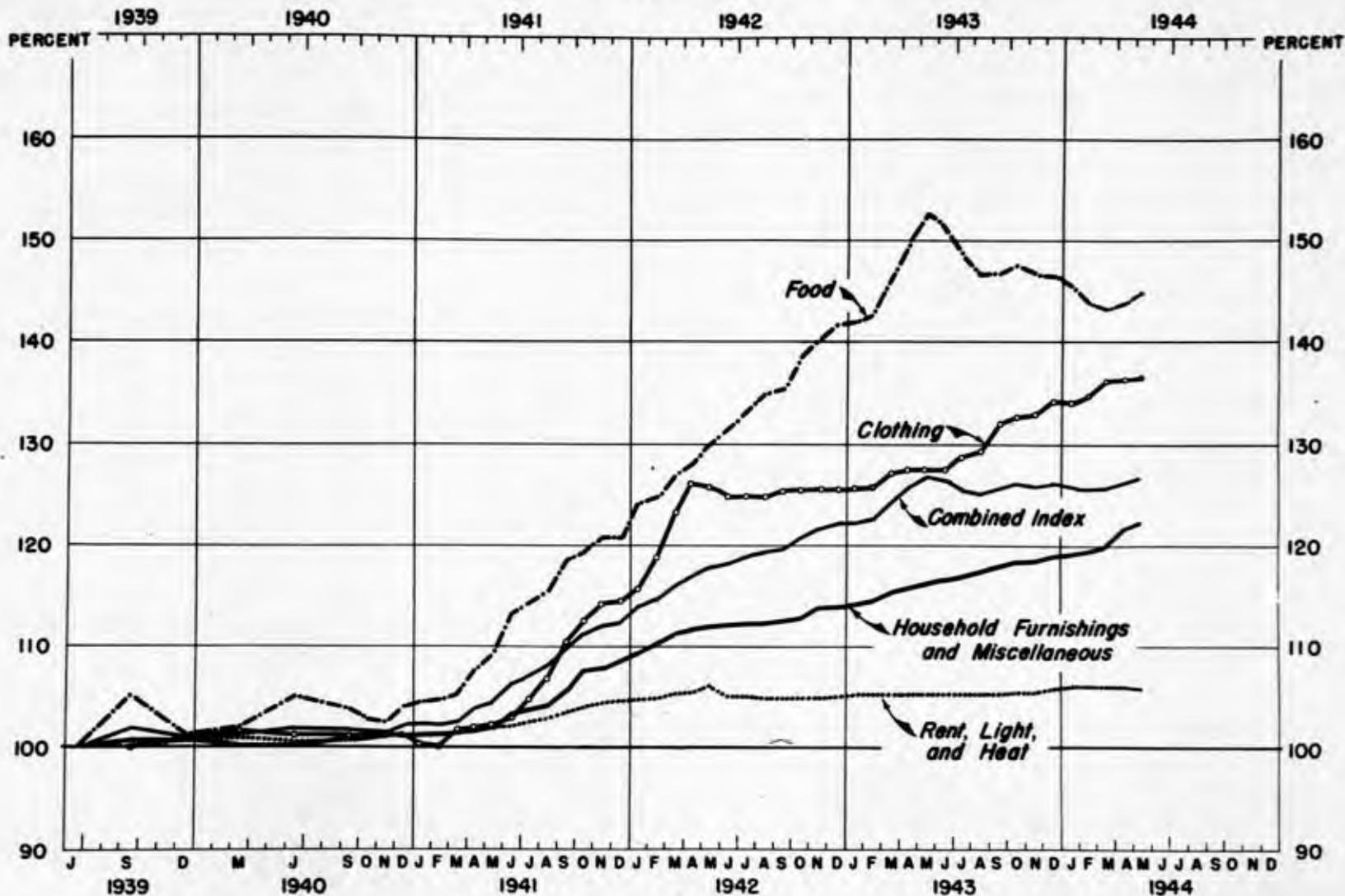
**SELECTED BASIC COMMODITIES**  
Percentage Change December 6, 1941 to June 2, and June 16, 1944



44

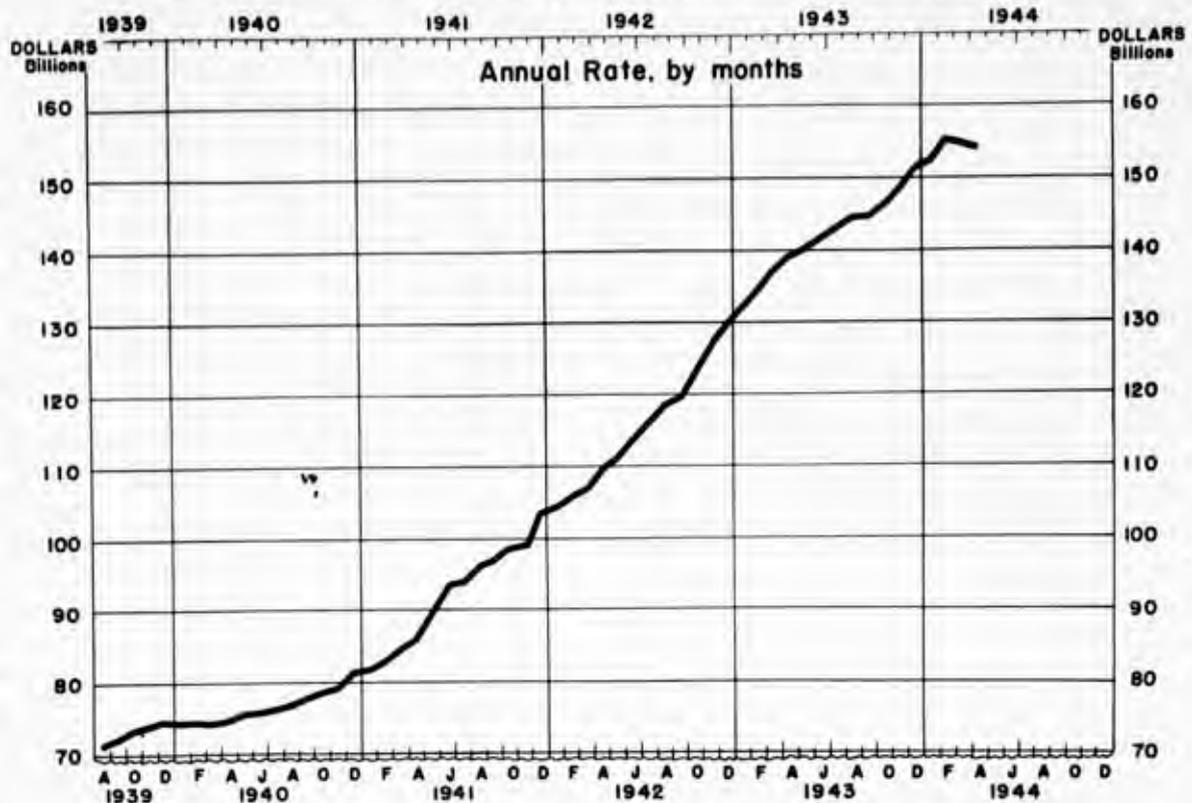
# COST OF LIVING AND SELECTED ITEMS

## June 1939=100

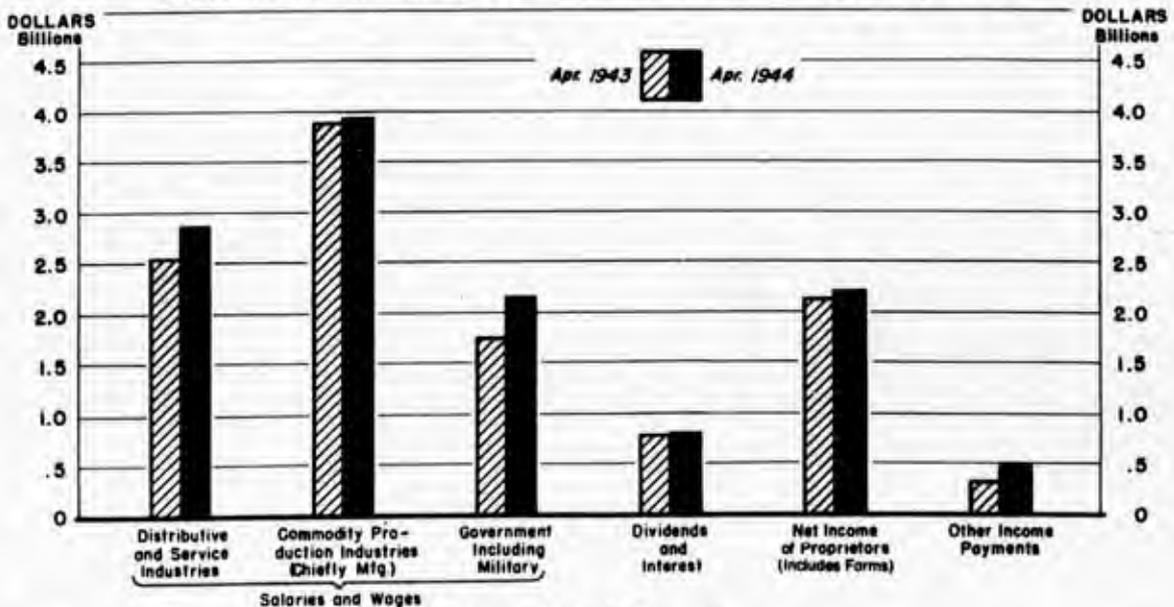


Source: B.L.S.

## NATIONAL INCOME PAYMENTS AND COMPONENTS



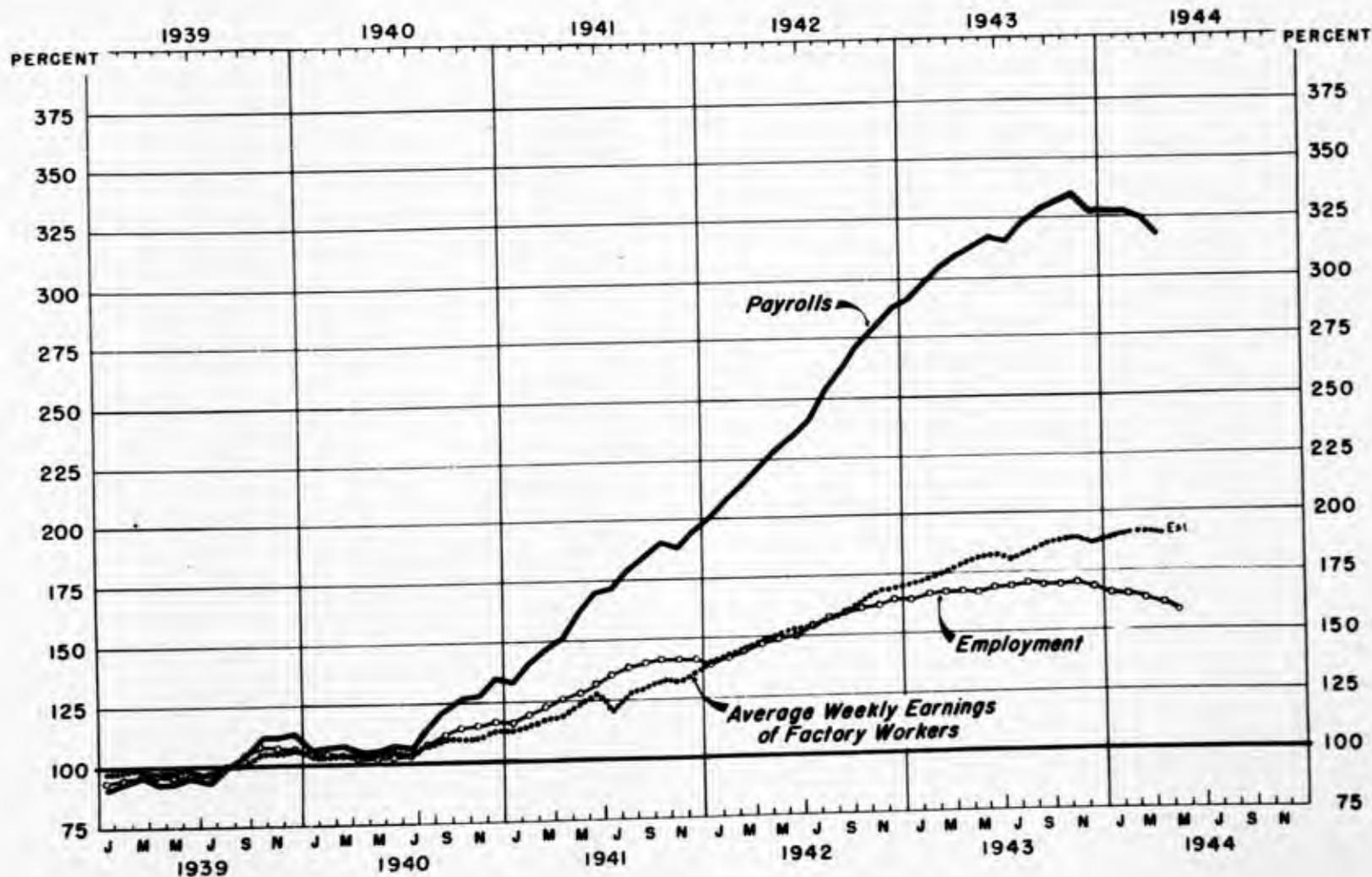
Dollar Totals for Selected Components, Apr. 1943 and Apr. 1944



Source: Department of Commerce

# FACTORY EMPLOYMENT, PAYROLLS AND WAGES

1939=100, Unadjusted





TREASURY DEPARTMENT

WASHINGTON 25

June 19, 1944



MEMORANDUM TO THE SECRETARY

Ford 1941 Jeep, U. S. Identification No. 2029727, Serial No. 14189, Motor No. 14147, was shipped to the Junior Chamber of Commerce of Wichita Falls, Texas, on June 14, 1944. The price of this jeep was \$616.86.

*E. L. Olrich*

E. L. Olrich  
Assistant to the Secretary



OFFICE OF THE DIRECTOR

TREASURY DEPARTMENT

PROCUREMENT DIVISION

WASHINGTON 25



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*Don saw.*

June 19, 1944

**SECRET**

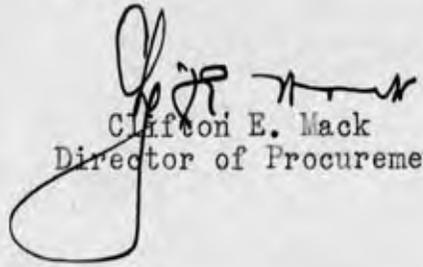
MEMORANDUM TO THE SECRETARY:

Representatives of the United Nations Relief and Rehabilitation Administration advised me this morning that they anticipate placing requirements with the Procurement Division for purchase, expediting, inspection, storage and forwarding, involving approximately 300 million yards of textiles for the fourth quarter of this calendar year. This is a particularly critical program.

The indications are that the UNRRA Program for the next fiscal year, including the requirements of the contributing foreign countries, to be obtained in the United States may approximate 1 billion dollars of the type of supplies which they will look to the Procurement Division to handle.

UNRRA requirements will be processed through the Foreign Economic Administration and will be in addition to the Lend-Lease requirements we are now handling. FEA will allocate the funds for purchase, and to cover our expense of procurement.

I will advise you when more specific information is available.

  
Clifton E. Mack  
Director of Procurement

## TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

Date 6-19-44

TO Secretary Morgenthau

FROM Mr. Glasser *WGS*

Mr. Taylor, our London representative, has cabled a number of reports appearing in the British Press concerning the franc currency used by the Allied Forces and conditions in France. The first report on the black market in France received from a press correspondent with the Allied Forces runs as follows:

"Rationing has been carried out simply by lifting prices away out of the ordinary man's reach. Suits cost pound-sterling 100, a pair of high boots pound-sterling 40, goods like sugar eight or nine shillings a pound.

"Two captured German soldiers - not officers - were carrying pound-sterling 700 and 800 respectively in francs. One offered a tommy pound-sterling 1 for a cigarette.

"Our troops have been issued with francs at the rate of 200 to the pound sterling. They will be lucky if they can afford a glass or two of beer in a week.

"Yet the shops in the undamaged towns are stocked with most of the goods to be bought in England."

We are cabling Mr. Taylor to send us urgently first-hand information on currency and black markets in France.

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



*[Handwritten signature]*

OFFICE OF THE  
EXECUTIVE DIRECTOR

JUN 19 1944

My dear Mr. Secretary:

I am enclosing herewith a copy of the report of the War Refugee Board for June 5 to June 10, 1944.

I should like to point out for the record one development of the past week which does not appear in the enclosed report because of its extremely secret nature. Through Ambassador Steinhardt and the British we have been advised of a German proposal for the release of Jews from enemy territory submitted to the Jewish Agency in Palestine by Joel Brandt, a Zionist representative in Hungary who recently arrived in Istanbul accompanied by a Hungarian Gestapo agent. Brandt's message is that the Nazis are ready to evacuate one million Jews from Hungary, Rumania, Czechoslovakia and Poland to Spain and Portugal in return for the delivery of 10,000 motor trucks and certain quantities of coffee, tea, cocoa and soap. Since it is felt that serious suggestions by the Germans to release Jews which are compatible with the prosecution of the war should not be rejected outright but should be given consideration, and since we have not been able to make a definitive judgment as to the character of this offer, Ambassador Steinhardt has been advised that we feel it is important to keep the door open while the matter is being explored. The problem was discussed with Hirschmann before he departed for Turkey and Steinhardt is advising Brandt of Hirschmann's expected arrival and the fact that he is acquainted with this Government's views on the proposal. The sole purpose of conveying this fact to Brandt is to let it be known that this Government has not closed the door on the proposition. The British and Soviet Embassies have been advised of our action and it is expected that the representatives in Turkey of these countries

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will discuss the whole matter with Steinhardt. Incidentally, we have just received a cable from Steinhardt indicating that he understands our position and that he is personally handling the matter in Ankara.

Sincerely yours,

  
J. W. Pehle  
Executive Director

The Honorable,

The Secretary of the Treasury.

Enclosure.

Report of the War Refugee Board  
for the Week of June 5 - 10, 1944

TEMPORARY HAVENS FOR REFUGEES IN THE UNITED STATES

Confirming the announcement made at his press conference on May 30, President Roosevelt outlined to the press on June 9 details of the plan whereby 1,000 refugees are to be brought to this country immediately from Italy, outside of the regular immigration procedure. An historic Army camp, Fort Ontario, at Oswego, New York, has been set aside as an Emergency Refugee Shelter for these refugees for the duration of the war.

In directing Ambassador Robert Murphy in Algiers to arrange for the immediate departure of these refugees from southern Italy, the President cabled:

"Information available to me indicates that there are real possibilities of saving human lives by bringing more refugees through Yugoslavia to southern Italy. I am also informed that the escape of refugees by this route has from time to time been greatly impeded because the facilities in southern Italy for refugees have been overtaxed. I am advised that this is the situation at the present moment and that accordingly possibilities of increasing the flow of refugees to Italy may be lost.

"I understand that many of the refugees in southern Italy have been and are being moved to temporary havens in areas adjacent to the Mediterranean and that efforts are being made to increase existing refugee facilities in these areas. I am most anxious that this effort to take refugees from Italy to areas relatively close by be intensified.

"At the same time I feel that it is important that the United States indicate that it is ready to share the burden of caring for refugees during the war. Accordingly, I have decided that approximately 1,000 refugees should be immediately brought from Italy to this country, to be placed in an Emergency Refugee Shelter to be established at Fort Ontario near Oswego, New York, where under appropriate security restrictions they will remain for the duration of the war. These refugees will be brought

- 2 -

into this country outside of the regular immigration procedure just as civilian internees from Latin American countries and prisoners of war have been brought here. The Emergency Refugee Shelter will be well equipped to take good care of these people. It is contemplated that at the end of the war they will be returned to their homelands.

"You may assume that the Emergency Refugee Shelter will be ready to receive these refugees when they arrive. I will appreciate it therefore if you will arrange for the departure to the United States as rapidly as possible, consistent with military requirements, of approximately 1,000 refugees in southern Italy. You may call upon representatives of the War Refugee Board in Algiers to assist you in this matter. The full cooperation of our military and naval authorities should be enlisted in effecting the prompt removal and transportation of the refugees.

"In choosing the refugees to be brought to the United States, please bear in mind that to the extent possible those refugees should be selected for whom other havens of refuge are not immediately available. I should however like the group to include a reasonable proportion of various categories of persecuted peoples who have fled to Italy.

"You should bear in mind that since these refugees are to be placed in a camp in the United States under appropriate security restrictions, the procedure for the selection of the refugees and arrangements for bringing them here should be as simple and expeditious as possible, uncomplicated by any of the usual formalities involved in admitting people to the United States under the immigration laws.

"However, please be sure that the necessary health checks are made to avoid bringing here persons afflicted with any loathsome, dangerous or contagious disease.

"If you encounter any difficulties in arranging for the prompt departure of these refugees please let me know."

Cooperation of Other Government Agencies Assured

At the same time the President despatched the following memorandum to the Secretaries of War, Navy and Interior,

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and to the Director of the Budget, as well as to the Executive Director of the Board:

"There is attached a cable which I have despatched to Robert Murphy in Algiers, requesting that he make arrangements for the departure to the United States as rapidly as possible of approximately 1,000 refugees now in southern Italy.

"These refugees will be brought into this country outside of the regular immigration procedure and placed in Fort Ontario near Oswego, New York. While the War Refugee Board is charged with the overall responsibility for this project, the Army shall take the necessary security precautions so that these refugees will remain in the camp and the actual administration of the camp is to be in the hands of the War Relocation Authority.

"Accordingly, the following steps should be taken as expeditiously as possible:

"(1) The War Department and the Navy Department shall send whatever instructions are necessary to the military authorities in Italy and North Africa to expedite the transportation of these refugees to the United States.

"(2) The War Department shall arrange to furnish and properly equip Fort Ontario to receive these refugees; shall arrange for their transportation from the port of arrival to the camp; and shall arrange for the necessary security precautions.

"(3) The War Relocation Authority shall make arrangements to handle the actual administration of the camp, which will be designated as an Emergency Refugee Shelter.

"(4) Until UNRRA is in a position to assume the financial responsibilities involved, the Bureau of the Budget shall make arrangements for financing the project; using to the extent possible any available funds of the War Department, the War Relocation Authority, and the War Refugee Board, and from the Foreign War Relief appropriation, and if necessary drawing upon the President's Emergency Fund."

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### U. S. Missions Asked to Act

As a result of the President's action, we are now in a stronger position to urge Allied and neutral countries to expand existing refugee facilities. Moreover, by opening our own doors to a limited number of refugees we are bringing new hope to all the oppressed peoples of Europe.

We are promptly communicating to Ambassador Winant in London the text of the President's cable to Murphy in Algiers, as well as certain other details with respect to the establishment of the Emergency Refugee Shelter. Winant is being asked to bring the President's action to the attention of the British Government and to emphasize its significance. We are also asking that Winant explore with the British the question of expanding existing refugee facilities in the Mediterranean and of finding new havens of refuge in that area. The possibility of taking refugees to Cyprus, as suggested by the President, is likewise to be explored.

In similar cables to our Missions in Portugal, Spain, Sweden, Switzerland and Turkey, we are asking that it be made clear to the governments of these various countries that we are determined to find havens of refuge for all persecuted peoples who can escape from German-controlled territory. With this principle in mind, our representatives are to explore carefully with the governments to which they are accredited all possible means by which they can facilitate the rescue and relief of the victims of enemy oppression.

We are also asking that our representatives abroad do everything possible, consistent with the military situation, to publicize the President's action in enemy territory as well as in the various neutral countries.

A circular airgram along the same lines is being despatched to our Missions in Latin America.

### Public Response Heartening

Since the President's original announcement to the effect that he favored the establishment of temporary havens for war refugees in this country and elsewhere, we have received a number of telegrams of congratulation. News coverage and editorial comment have likewise been encouraging. Editorials endorsing the President's move promptly appeared in the New York Times, the New York

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Herald Tribune, the New York Post, the Baltimore Sun, the Washington Post, and the Washington Evening Star, among others. The latter editorial, which appeared on June 10, said in part:

"President Roosevelt's announcement that 1,000 European refugees will be granted temporary shelter in this country will be welcomed by all who have given any thought to the plight of those great numbers of people who have been uprooted by the war and put to flight by the Nazis. Life has dealt harshly with these men, women and children, and they need the support of every nation that can serve as a haven for them. Heretofore the United States has limited its assistance to diplomatic efforts to establish homes for them in other lands; now, on the strength of the President's decision, we shall share directly in the task of caring for them . . . . In view of the dimensions of the problem, the number seems surprisingly small and perhaps we shall find it desirable, later on, to open our doors to many more -- a gesture contemplated by a Congressional proposal to set up several "free ports" to accommodate additional thousands. In any event, no one with the least humanitarian impulse will question the fitness of Mr. Roosevelt's action; it is simply a step in recognition of the moral responsibility which every nation, in a position to help, bears toward the oppressed and stricken of the world."

#### EVACUATIONS TO AND THROUGH ITALY

Our efforts to find still other places of refuge relatively close by southern Italy have been intensified. In pressing for the establishment of refugee centers elsewhere, we have encountered real evidence of the fact that by opening our own doors for the duration of the war to even so limited a number of refugees, our hand has been materially strengthened.

#### Temporary Refuge in Palestine

According to a cable from Ambassador Winant, the head of the Refugee Department of the British Foreign Office, in response to our proposal that Jewish refugees be removed from southern Italy and cared for temporarily in Palestine, has now indicated that the British have no fundamental objection to such evacuations. It was pointed out by the Foreign Office, however, that facilities in Palestine for the reception of such refugees are not unlimited and that

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it has thus far been the policy of the British Government to facilitate the entry primarily of those refugees whose lives were in immediate danger, such as those now in Hungary.

According to a cable from the U. S. Consulate in Jerusalem, a group of 769 Jewish immigrants arrived in Palestine via Egypt on June 2. Of these, 571 are reported to have come on the Polish steamer "Batori" from Italy, where they had been confined in camps at Ferramonte, Santa Maria and Bari.

#### U. S. and Britain Jointly to Establish Haven in Tripolitania

The British have also responded to our own gesture by agreeing to the establishment of a refugee camp in Tripolitania, former Italian colony in North Africa. The cost of maintaining this camp is to be shared by the U.S. and British Governments.

According to Ambassador Winant, the head of the Refugee Department of the Foreign Office informally stated that such a camp should be able to accommodate between 1,000 and 1,500 people. It was indicated that obtaining adequate medical and administrative personnel is expected to be the greatest difficulty, and suggestions on this matter were invited.

With respect to the possibility of setting up a temporary haven in Cyrenaica, Winant was confidentially advised that the political problems involved are so acute that the British have reluctantly concluded that the establishment of such a center there is absolutely impossible.

#### RELIEF THROUGH THE BLOCKADE TO COOPERATING NEUTRALS

We have also been advised by Winant that the British, in response to our approaches, are now prepared to instruct their representatives in Turkey, Spain and Portugal to join with our representatives in giving assurances that if a more generous policy toward receiving and caring for refugees is adopted by these countries, the provision of additional supplies will be arranged to meet the needs of such new refugees. It was pointed out that the word "provision" is preferred by the British in place of the word "shipment," since it was felt that the general shipping situation might make it impossible to send supplies by means of Allied ships.

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FOOD AND CLOTHING STOCKPILES IN NEUTRAL COUNTRIES

Although it had been proposed on several occasions in the past that foodstuffs and clothing in package form be shipped to the International Red Cross for distribution to unassimilated groups in enemy territory, such proposals have previously been rejected, primarily because adequate assurances were lacking that the relief provided would go to the intended beneficiaries and not to the enemy.

Because of the alarming scarcity of food and clothing in neutral markets at the present time, the International Red Cross has again urged that we create stockpiles of food and clothing parcels to be held in Geneva and at other neutral locations for distribution exclusively to unassimilated groups in camps. In transmitting this request Minister Harrison strongly recommended favorable action. The concurrence of State and the Foreign Economic Administration in this matter has now been obtained.

SITUATION IN HUNGARY

According to information transmitted by our Legation in Bern, steps recently taken in Hungary are unmistakable preliminaries to the mass deportation and extermination of the Jewish population, especially in the Carpatho-Russian and Marmaros regions. The number of persons immediately involved is said to be about 200,000, with all signs pointing to the extension of such actions to the Jewish population in Hungary proper.

From all reliable reports, including stories appearing in the Hungarian press, the Hungarian population has not sympathized with the brutal anti-Jewish measures reported. On the contrary, Hungarians in general are reported to have sided openly with the persecuted Jews and to have tried to aid them by furnishing food and clothing.

Hungarian authorities are said to have taken severe measures to isolate the camps in which these people have been placed. According to one newspaper account, the mass attempt on the part of the general public to get food and clothing to Jews in concentration areas has been an "incomprehensible phenomenon. As a result, the authorities have been forced to take the necessary police measures to cut off such Jews from all contact with the population."

The lot of the Jews in such improvised camps is said to be wretched. The cattle markets, tile factories, and wood yards in which they are confined are reported to be almost completely devoid of sanitary facilities. In many instances,

- 8 -

thousands of men, women and children, along with the sick and the aged, are forced to live in the open under frightfully over-crowded and degrading conditions. Since the persons confined in these camps were permitted to take nothing with them in the way of blankets or covers, it has become tragically obvious, according to this report, that a great many of them will die from exposure as well as from disease and slow starvation, even before they are jammed into cattle cars for deportation.

It was urgently suggested through our Legation in Bern that an attempt be made to persuade the Soviet Government to issue a declaration on atrocities against Jews similar to that issued by President Roosevelt late in March. It was stated that since Soviet armies are standing on the frontiers of Hungary and since there is already a mortal fear of the Russians in the hearts of a large number of "collaborators" in Hungary, a declaration by the Soviet Union would have all the more weight. Moreover, it was urged that any such Russian declaration be publicized in pamphlet form, as well as over the radio, since most Hungarians in the regions concerned do not have radios.

It was also indicated that certain channels of particular value, especially Communist, would be opened up through which relief and rescue operations from Switzerland could be carried on in the Balkans if such a Soviet declaration were to be forthcoming.

#### Soviet Cooperation to be Solicited

The substance of these reports has been communicated to Ambassador Harriman in Moscow. Harriman has been asked to relay to appropriate Soviet authorities the nature of these reports, along with the text of the statement recently directed to Hungarians by the Senate Foreign Relations Committee, in an effort to obtain Soviet action along the lines suggested.

#### Spanish Relations with Hungarian Regime

Ambassador Hayes has informed us that, in response to certain inquiries directed to the Spanish Foreign Office with respect to the situation in Hungary, he has been advised that the measures taken by the Germans thus far in Hungary have applied mainly to Czech, Polish and German Jews. The Spanish "representative" in Budapest is said to have reported that the Sephardic Jews, for example, have not been confined in concentration camps, nor had he been unduly hindered in carrying out his instructions

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to make arrangements for evacuating these people. It was his hope, the Foreign Office added, that the Germans would be sufficiently preoccupied in organizing Hungary for waging war to prevent their taking steps similar to those taken in Poland.

Hayes reported having urged that instructions be sent to Budapest directing the Spanish "representative" and his staff to be as active there as possible, since their presence might have a deterring effect on the Germans. The Spanish Foreign Office is said to have agreed to this.

In view of the fact that the Foreign Office went out of its way throughout the interview to refer to its envoy in Hungary as a "representative" and not as a Minister, Hayes felt that it would be useless to suggest that additional personnel be sent to the Spanish mission in Hungary, especially since such action would be against Spain's current policy of minimizing its connections with the present Hungarian regime.

#### Portuguese Relations with Hungarian Government

Minister Norweb has advised us from Lisbon that in his opinion representations to the Portuguese Government with respect to enlarging the Portuguese mission in Hungary would be impolitic and perhaps even prejudicial to the favorable attitude now existing in Portugal with respect to the reception of refugees. Norweb pointed out that as a result of having made fairly strong representations, following the invasion of Hungary, seeking to persuade the Portuguese Government not to recognize the puppet government in Budapest, it would seem inappropriate that he now approach the Portuguese with the proposed request. As a practical matter, and aside from this consideration, Norweb voiced grave doubts that the Germans would allow any increase in personnel in the Portuguese mission in Hungary at this time.

#### Report from Sweden

Minister Johnson has reported that, in response to his inquiry, the Swedish Foreign Office replied that thus far no information has been received from its Budapest Legation to indicate that the mass annihilation of Jews in Hungary is contemplated.

#### Turkish Position vis-a-vis the Hungarian Government

According to a cable from Ambassador Steinhardt, Hungarian-Turkish relations are virtually non-existent at

- 10 -

the present time, due to the strain resulting from the Turkish Government's having materially reduced the shipment of strategic materials to Hungary, at the request of the Allies. Steinhardt indicated that the Turkish Government therefore does not feel that it is in a position to ask the Hungarian Government for permission to expand the Turkish diplomatic and consular force in Hungary, as we had requested. Moreover, it was reported that the Turkish authorities were convinced that any such request would be refused, especially since the Germans would have to approve it.

In Steinhardt's opinion, any approach to the Hungarian Minister in Ankara or to his staff in an effort to restrain the Hungarian Government in its persecution of Jews would be of no use whatever, since their pro-Nazi attitude is notorious.

With respect to the suggestion that the Turks be asked to allow refugees to enter Turkey without Turkish visas, Steinhardt indicated that the acceptance of such a proposition by the Turks is an extremely remote possibility. In this connection Steinhardt pointed out that in obtaining permission for Jewish refugees to enter and pass through Turkey without Turkish visas, he has had to make separate representations to the Foreign Minister concerning each group or individual upon arrival.

Approach Proposed to Hungarian Government through the Swiss

In a cable to Minister Harrison and Board Representative McClelland in Bern we have indicated that we have had under consideration the advisability of asking the Swiss Government to address an inquiry on behalf of this Government to appropriate authorities in Hungary, asking them to state their intentions with respect to the future treatment to be accorded Jews in ghettos and concentration camps and, more specifically, whether they contemplate forced deportations to Poland or elsewhere, the imposition of discriminatory reductions in food rations, or the adoption of any other such measures. At the same time the Swiss Government would be requested to remind Hungarian authorities of the grave view which this Government takes with respect to the persecution of Jews and other minorities, and of our determination to see to it that all those who share the responsibility for such acts are properly dealt with when hostilities cease. The widest possible publicity in Hungary, through broadcasts and otherwise, would be given such a request when made.

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Harrison and McClelland have been asked to give careful consideration to this matter, and unless they are of the opinion that positive disadvantages would be involved, they are to proceed promptly to make the requests outlined.

#### EVACUATIONS TO AND THROUGH TURKEY

According to word reaching Minister Harrison in Bern, when the German Legation at Bucharest was asked by the Rumanians to grant safe-conduct for the "S.S. Tari," the Rumanians were told that the German authorities would not be opposed to such evacuation operations from Rumania provided they were not directed toward the countries with Arabian interests, including Palestine. It was explained that the Germans consider the Arabs their friends and have no intention of aiding immigration viewed with disfavor by the Arabs.

Harrison pointed out that although such a position does not necessarily mean that the Germans would permit the emigration of Jews from Rumania to non-Arabian countries, there might be such a possibility which we would want to explore.

#### German Safe-Conduct for "Bardaland" Denied

We have now heard from Ambassador Winant in London that, according to the British Foreign Office, the Germans have likewise refused to grant safe-conduct for the "Bardaland." Statements of the British Foreign Office in this connection tend to support the conclusion that it is settled German policy to refuse to facilitate in any way the evacuation of Jews to Palestine.

Winant indicated that the British therefore intended to accept notice of the sailing of the "Bardaland" from Piraeus on June 10, as previously scheduled, unless there were objections on our part.

We promptly cabled Winant, urgently requesting that the British withhold acceptance of the "Bardaland's" sailing. Winant was asked to approach the Swedish Government at once with the request that the Germans be asked to grant safe-conduct for the "Bardaland" for voyages across the Black Sea from Rumania to Turkey, with the assurance to the Germans that refugees evacuated on the "Bardaland" would be taken to havens of refuge other than Palestine.

We have also asked that Winant convey to the British Foreign Office our conviction that if the German refusal of safe-conduct for evacuation voyages across the Black

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Sea is based upon their opposition to taking such refugees to Palestine, the British and American Governments should leave no stone unturned in attempting to find havens of refuge elsewhere. It was suggested that Winant refer specifically to the possibility of taking such refugees to Cyprus, Tripolitania, and Cyrenaica.

A cable subsequently received from Minister Johnson in Stockholm confirmed the Germans' refusal of safe-conduct for the "Bardaland." We are advising Johnson of our instructions to Winant in this connection, and Johnson is to discuss with the Swedish Government the possibility of again taking up the matter with the Germans on the basis of the assurances proposed.

#### WRB Representative Returning to Istanbul

Arrangements have been completed for the return to Turkey of Board Representative Ira Hirschmann, who is now en route there. Herbert Katzki is being sent to Ankara to serve as Hirschmann's Administrative Assistant.

#### Rescue Work to be Centralized under WRB Representative

Ambassador Steinhardt has advised us that the Secretary General of the Turkish Foreign Office has proposed that all requests for aid on behalf of Jewish refugees hereafter be made of the Foreign Office through the Board's representative in Ankara or, in his absence, by some other officer of our Embassy there. Steinhardt indicated that he, too, was of the opinion that more satisfactory progress with greater speed and less confusion will be made if the Jewish refugee work is centered in the hands of permanent representatives situated in Turkey and under Hirschmann's supervision on his return. Steinhardt pointed out that competitive bidding in Turkey on the part of an increasing number of organizations and individuals merely tends to increase the cost of rescue operations without increasing the limited number of vessels available for such purposes.

#### Plans for the "Bardaland" Re-examined

In another cable from Ankara, Steinhardt has indicated that, while he does not believe that the Turkish Government would have any objection to the proposed refitting of the "Bardaland" at Istanbul with the necessary passenger accommodations, information reaching him indicates that material and labor facilities for such work are greatly limited. Delays are said to be interminable and the cost highly excessive under present conditions. Steinhardt

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could suggest only one alternative: refitting the "Bardaland" in some Egyptian port where British naval facilities might be made available upon request.

In connection with the proposed destination of Istanbul in place of Haifa, Steinhardt again stressed the limited nature of rail facilities across Turkey to Palestine. The fear was voiced that if many refugees should be landed from the "Bardaland" at Istanbul for movement by rail to Palestine, the resulting congestion might threaten the constant "illegal" transportation of refugees already tacitly sanctioned by the Turkish Minister.

#### "Tari" to Remain at Our Disposal

In order to keep the "Tari" at our disposal on short notice in the event a Bulgarian or German safe-conduct is eventually obtained, and at the same time avoid having to pay the penalty of £ 5,000 in Turkish money per day that has been demanded of us for non-use of the "Tari," Ambassador Steinhardt has persuaded the Turkish Minister to issue instructions permitting the "Tari" to be used by the State Steamship Lines for short voyages between Istanbul and Izmir or Samsun, on the understanding that none of the accommodations put in for refugees are to be disturbed and that the ship will be available to us when each such voyage is completed. Under the arrangements made, no such interim trip of the "Tari" is to last over two weeks.

With respect to further "illegal" voyages by such boats as the "Bellacitta" and the "Milka," it was indicated that no definite schedule exists, nor can any prediction be made with any degree of accuracy because of the clandestine nature of their operations.

#### EVACUATIONS TO AND THROUGH SPAIN

According to a communication from Madrid, certain rescue and relief operations authorized under a license issued by the Treasury in March are apparently being carried on in Spain, despite certain objections previously raised by Ambassador Hayes.

In a cable to Madrid we are indicating that our views on this matter will be discussed with Hayes by James G. McDonald, who is now awaiting completion of technical arrangements before his departure on a special Board mission to Spain. We are suggesting that if more immediate information is desired on these matters, Hayes may wish

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to get in touch with Assistant Executive Director James Mann, who reached Lisbon recently and is conferring there with Minister Norweb and Board Representative Dexter concerning problems confronting the Board in Portugal. We are also indicating that, if Hayes desires, Mann could proceed to Madrid for a conference immediately after completion of his mission in Lisbon.

#### Evacuations to North Africa

Board Representative Ackermann advised us from Algiers that the British, who are charged with transporting refugees from Spain to French North Africa, had indicated that the French ship originally assigned to embark some 700 refugees on June 7 was taken off this run by the French for another trip, and will not be ready to move refugees until the latter part of June.

Ambassador Hayes also cabled his concern, upon learning from the British that shipping would not be made available as scheduled.

Ackermann subsequently indicated that, with the assistance of War Shipping Administration representatives in Algiers, a new tentative date for the ship's sailing from Spain has been set for somewhere around June 25. A definite date is to be set about June 15.

Since a French ship is to be used, French authorities are said to have asked whether pesetas are to be paid for port dues in Spain. This question was in turn referred to us, and we have arranged for up to 100,000 pesetas to be made available in Madrid for this purpose. Ackermann has now been asked to inform Hayes of the amount of pesetas necessary, as well as the names of the persons to whom such pesetas should be delivered.

#### Evacuation of Children to Tangier

According to a communication from our Legation in Tangier, favorable consideration has been given by the High Commissioner there to the request of the Jewish communities of Tangier and Tetuan that 500 refugee children be permitted to go to Tangier temporarily from Hungary. The High Commissioner is said to have stated that since Madrid would have to make the final decision, the request was forwarded by him with a favorable recommendation. The important question, it was said, is not so much a financial one as finding the necessary supplies in Tangier for the children.

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EVACUATIONS TO AND THROUGH PORTUGAL

According to information received from the Unitarian Service Committee, the President of Mexico has personally agreed to the issuance of 500 Mexican residence visas to certain Spanish and other refugees in hiding in Portugal, these visas to be issued by the Mexican Minister in Lisbon at his discretion. In a cable to Minister Norweb and Board Representative Dexter in Lisbon, we are asking for a prompt report as to the manner in which the granting of U. S. transit visas could best be accomplished for these refugees, in view of the danger to the applicants if they should be apprehended by the International Police before they are in possession of both Mexican residence and U. S. transit visas.

EVACUATIONS TO AND THROUGH SWEDEN

We have arranged for the transfer of \$50,000 to Board Representative Olsen in Stockholm for use in connection with the rescue of persons now in hiding in the Baltic states.

The remittance to Stockholm of \$10,000 by the Union of Orthodox Rabbis has been authorized by the Treasury, upon our recommendation, to be used for rescue operations in the Baltic countries, as authorized by Board Representative Olsen.

EVACUATIONS TO AND THROUGH SWITZERLAND

In a detailed report Board Representative McClelland has informed us that, after a careful examination of rescue and relief possibilities from Switzerland, he has concluded that any really effective action must be taken through underground channels.

After careful consideration of McClelland's findings, we are arranging for \$125,000 to be sent at once to Bern for certain urgent relief and rescue projects outlined.

Rescue of Abandoned Children from France

In a cable to Bern, in response to a suggestion recently made by McClelland, we are indicating our feeling that the issuance of U. S. visas to children who entered Switzerland prior to 1944 would not accomplish the purpose for which the visas were made available. We are pointing out that the principal motivation behind the authorization of these visas was the encouragement such authorization might give to the Swiss Government to permit the entrance

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of still other child refugees. We are asking McClelland to let us know, however, if, after consultation with Minister Harrison and appropriate Swiss authorities, there is any reason to believe that the escape of child refugees into Switzerland would be accelerated by the issuance of visas to children who arrived there prior to January 1 of this year.

#### RECOGNITION OF LATIN AMERICAN PASSPORTS

We have been advised by Minister Harrison that the Swiss Foreign Office has now furnished our Legation there with the names and citizenship claims of 162 persons removed by the Germans from Camp Vittel to an unknown destination.

Our Embassy in Madrid has transmitted the text of a note received from the Spanish Ministry of Foreign Affairs in response to our request that the Spanish Government make representations to the Germans for the return of the internees removed from Vittel. This note stated in substance that since Switzerland is charged with the protection in Germany of North American interests, as well as those of the majority of the South American Republics, except for Bolivia and Paraguay, it would be advisable if our request were directed to the Swiss Government, "thus avoiding any misinterpretation which might arise should the Spanish Government carry out the desired intervention."

Charge d'Affaires Butterworth has reported that, in reply, he informed the Spanish Ministry that representations have, in fact, already been made to the Swiss Government on this score. Butterworth pointed out that the request addressed to the Spanish Government had been put forward on a humanitarian basis. He also indicated that there was reason to believe that the Vittel group contains a number of persons holding documentation issued in the names of the governments of certain American Republics with whose interests the Spanish Government has been entrusted.

#### Chilean Government Acts

We have been informed by our Embassy in Santiago that, according to a letter from the Chilean Ministry of Foreign Affairs, our representations concerning the Vittel group are being supported by Chile in both Madrid and Bern.

#### Guba to Protect Passport Holders

Ambassador Braden has advised us from Havana that the Cuban Minister of State has informed the Netherlands Embassy

in Washington, which had previously made inquiry about the matter, that the Cuban Government will not permit the validity of any of its passports to be questioned by the Germans. Braden indicated, however, that there was an oral reservation not transmitted to the Netherlands Embassy, to the effect that if conclusive proof were presented regarding the falsification of a Cuban passport, the Minister of State could not insist upon its recognition because of his feeling that to do so might endanger the holders of legitimate passports.

In cables to our Missions in Cuba, Nicaragua, Peru and Uruguay, we are pressing for certain more active steps in connection with the protection and rescue of Latin American passport holders.

AMERICAN EXCHANGE STANDARDS BROADENED

Certain necessary steps have now been taken as a preliminary to placing before the German Government concrete proposals involving the exchange of persons bearing American Republics' documentation but now detained by the Germans in concentration camps.

Recent German-American Republics' exchanges, such as that accomplished by means of the "Gripsholm" earlier this month, have been limited in theory to small numbers of bona fide American nationals nominated by their governments in accordance with a restrictive joint resolution of the American Republics adopted last year by the Emergency Advisory Committee for Political Defense. One reason for the strict limitations embodied in this resolution was the general desire to prevent the return to Germany of individuals capable of aiding her war effort.

Since the security requirements reflected in this resolution have substantially declined in importance, and in view of the fact that recent actions on the part of the Germans indicate that the lives of many holders of Latin American passports are in increasing danger, a new resolution was drafted and, with the joint approval of the State Department and the Board, forwarded to Montevideo. In this draft resolution the way was paved for the progressive exchange of all non-Germans, including Jews and persons of doubtful nationality interned or otherwise confined in German territory, against German nationals currently residing in the Western Hemisphere. First consideration in any exchange effected, however, would be given to persons bearing passports, visas, or other documentation of non-European origin.

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This resolution was subsequently unanimously approved by the Committee on May 31, except for a few minor changes. "In the opinion of this Committee," the resolution states, "the need to rescue . . . persons [identical with European racial or political minority groups] constitutes a sufficient basis for their admission to this hemisphere in exchange for German nationals resident in the American Republics selected with due regard for security requirements . . ." This resolution calls upon all American Republics to inform the German Government through appropriate channels that individuals possessing documents "issued by or on behalf of an American Republic, are entitled to full protection in accordance with the terms or customary incidence of such documents." Finally, the American Republics are called upon to authorize negotiations with the German Government on their behalf "in order to effectuate the exchange of such individuals for German nationals from the Western Hemisphere who desire to be repatriated and who are selected in accordance with such security safeguards as the Republics may mutually determine appropriate . . ."

Since most of the required assurances concerning the protection of holders of Latin American papers and the support of exchange negotiations have already been obtained by us, the State Department is now in a position to start proposals for exchange. We have indicated that, in cooperation with other official and humanitarian agencies, we are prepared to underwrite all expenses of such exchanges. In the event that any of the individuals rescued are not admissible to the countries whose documentation they bear, we are prepared to arrange and finance safe havens elsewhere.

#### RELATIONS WITH OTHER GOVERNMENTS

##### Support of Polish Government-in-Exile Pledged

There has been forwarded from London a copy of a declaration issued by the Polish Government and approved by the Council of Ministers, in which full support is pledged to every endeavor made by the United States in connection with the rescue and relief of refugees.

##### No Reply from Ethiopia

According to an airgram from our Legation in Addis Ababa, representations and repeated inquiries have thus far failed to evoke any statement from the Ethiopian Government concerning the extent to which it is prepared to cooperate in the rescue and relief of Jews and other

persecuted minorities. The Vice Minister of Foreign Affairs, however, is said to have informed a member of the Legation's staff that, since the country is still engaged in reconstruction efforts, the assistance it could afford refugees is necessarily limited.

Haitian Cooperation Solicited

In a cable to our Embassy in Haiti we are requesting that appropriate authorities of the Haitian Government be asked to make a prompt declaration to Germany, through the protecting power, to the effect that the decree-law of February 4, 1942, does not apply to persons who continuously since prior to that time have been within territory under the control of Germany or Italy. Under the law whose application we are seeking to limit, persons naturalized in Europe since May 29, 1939, would lose their Haitian citizenship unless they succeeded in reaching Haiti on or before August 5, 1942. We are pointing out that by exempting persons who, through no fault of their own, have been unable to comply with the condition subsequently imposed, protection can be extended to save a number of innocent lives.

Paraguayan Immigration Policy Outlined

Ambassador Frost has forwarded to us a copy of a letter received from the Paraguayan Foreign Office stating the policy to be followed by Paraguay on immigration. In this letter it was stated that Paraguay may possibly receive more than 100,000 families as immigrants. The proposed immigrant groups would be offered the opportunity of establishing themselves in partially developed agricultural colonies. It was stated that a preliminary step to this program would be the systematic classification of would-be immigrants before they embark, for the purpose of giving preference to young families of farmers or artisans skilled in small industries. The families of merchants or workmen without special talent would not be accepted.

  
J. W. Pehle  
Executive Director

## PARAPHRASE OF TELEGRAM RECEIVED

To:  
FROM: AMERICAN REPRESENTATIVE, Algiers  
From: For Secretary of State, Washington  
DATED: June 19, 1944, 2 p.m.  
NUMBER: 1925

## SECRET

Will you on an urgent basis discuss in person the following subject with Frenay.

Title is held by the French Committee of National Liberation to 315,120 food parcels for prisoners of war. At the time that the Christina was recently beached near Cette these parcels were loaded on that ship. However salvage of these parcels and the remainder of the cargo has been made and at Cette they are now in Intercross custody. Determination as to the amount of damage to the cargo is being undertaken. Nevertheless, since a greater part of the cargo if not all of it is thought to have been under water for an unknown period, the assumption is made that the food parcels are now not fit for human consumption with the possible exception of food which had been sealed in airtight tin containers. The opinion is that the cargo is not in a condition suitable for transmission to Geneva for distribution to war prisoners. However, it is hoped that a portion of the food supplies can be used otherwise. In order to avoid additional deterioration, prompt disposition would appear to be necessary. It is agreed by blockade officials that Intercross may distribute items still suitable for human consumption in concentration and refugee camps in the south of France provided satisfactory assurances can be secured concerning distribution.

Will you promptly determine and advise the Department as to whether (a) the Committee is in accord with the use as mentioned above of salvable supplies to which it has title, (b) it would be ready to make a donation of such supplies to Intercross for this purpose, (c) it would agree to sell such of these supplies as are fit for human consumption at a price to be estimated by Intercross, should it not be agreeable to making such donation.

Should the Committee be willing to sell but not willing to donate these supplies, you have permission in your discretion to state that for the financing necessary for such a sale

arrangements will

- 2 -

arrangements will be made by the War Refugee Board. However in this connection you are not in a position to make a definite offer and you are given authorization only to ask as to whether the Committee would be agreeable to selling on the above-mentioned terms.

Like inquiry is being made of the Belgian officials in London concerning that part of the cargo to which title is held by the Government of Belgium.

Of the above the French Delegation in Washington has been advised.

HULL

C O R R E C T I O N

FROM: AMERICAN REPRESENTATIVE, Algiers  
TO: Secretary of State, Washington  
DATED: June 19, 1944, 2 p.m.  
NUMBER: 1925

This is an outgoing cable to Algiers instead of  
from Algiers as is indicated.

MGS  
Distribution of true  
reading only by special  
arrangement. (SECRET W)

June 19, 1944

9 p.m.

AMREP,

ALGIERS.

1934

The following WRB cable no. 26 for Ackermann from  
Pehle refers to section 2 of your 1998 of June 13.

Numerous inquiries regarding confirmation your  
appointment by Supreme Allied Commander for the  
Mediterranean Theater as Board's Special Representative  
in Italy to be attached to ACC there made by War Depart-  
ment. Delay your appointment apparently caused by  
failure of British to act. Pushing of this matter will  
be continued by War Department. If your appointment  
not confirmed within next few days please promptly  
inform us.

HULL  
(GHW)

WEB:MMV:KG  
6/19/44

WE BC SE S/CR

MMS  
Distribution of true  
reading only by special  
arrangement. (SECRET W)

June 19, 1944

10 p.m.

AMREP,

ALGIERS,

1936

The following WEB cable 25 is from Pehle for  
Ackermann.

Please refer to War Department cable 50784 of  
June 14 to Commanding General, United States Army  
Forces, North African Theater of Operations, relative  
to questions in section 1 of your 1992 of June 13.  
Kindly cooperate with military authorities in carry-  
ing out instructions in cited cable and advise me if  
you encounter any delays.

HULL  
(GHW)

WEB:MMV:KG  
6/19/44

WE

S/CR

76-A

EMBASSY OF THE  
UNITED STATES OF AMERICA

Ciudad Trujillo, D. R., June 19, 1944

No. 37  
Subject: Issuance of Dominican Travel Documents  
to European Refugees.

CONFIDENTIAL

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

Sir:

1/ I have the honor to enclose herewith a copy of a memorandum of conversation between Under Secretary of State Velazquez and Mr. Newbegin with regard to the possible issuance of Dominican travel documents to European refugees. Licenciado Velazquez stated that this matter had been the subject of a conversation between Assistant Secretary of State Berle and Ambassador Copello in Washington. While expressing some surprise at the suggestion that Dominican travel documents be issued to "persons who were not entitled to them" because lacking any claim to Dominican citizenship (particularly in view of measures taken to stop this practice, which had led to so many irregularities in the past), he nevertheless indicated that the Dominican Foreign Office would probably agree to the proposal provided the same policy were adopted by the other American Republics.

The Under Secretary emphasized that he was fully alive to the humanitarian considerations involved, but he repeated that in his opinion a uniform policy should be adopted through inter-American agreement.

Respectfully yours,

/s/ ELLIS O. BRIGGS  
Ellis O. Briggs  
American Ambassador

Enclosure:

1. Copy of memorandum of conversation.

Enclosure to despatch no. 37 dated June 19, 1944 from the American Embassy, Ciudad Trujillo, D. R.

CONFIDENTIAL

MEMORANDUM OF CONVERSATION

In a conversation with Licenciado Velazques yesterday afternoon with regard to the note which the Secretary of State for Foreign Affairs had informed me would be sent to the Embassy (see the Embassy's telegram no. 240 of May 19, 1944) with reference to refugee children, Licenciado Velazques informed me confidentially of a recent conversation between Assistant Secretary of State Berle and Ambassador Copello in Washington. According to his report, Assistant Secretary Berle had suggested to Ambassador Copello the possibility of the Dominican authorities issuing travel documents to European refugees who had no claim to Dominican citizenship in order to permit such refugees to travel to places of safety. Licenciado Velazques said that the proposal had been very surprising in view of the attitude which had been previously taken by the American Government with regard to one or two instances when persons not entitled to Dominican travel documents or visas had been issued such documents under exceptional circumstances. He recalled that as a result of certain instances of this nature having been brought to the attention of the Dominican Government by the Embassy, the Dominican authorities had dismissed their remaining Honorary Consuls in Europe. Certain other officials had been transferred. In short the Dominican Government had taken a position completely in line with that of the United States and had been opposed to such practices. He said that the suggestion of Assistant Secretary Berle had been a matter for serious study in the Department of State for Foreign Affairs and that while final action had not yet been taken the Dominican Government was inclined to accept the suggestion as an exceptional humanitarian measure provided the American Government and the other American Republics should enter into an agreement to adopt it as a joint policy. He indicated clearly, however, that the suggestion was a surprising one and not in line with the normal policy of the Dominican Government.

R. M.

Ciudad Trujillo, D.R.  
June 16, 1944

FBM-728

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

Naples

Dated June 19, 1944

Rec'd 3:20 p.m.

Secretary of State,

Washington

238, June 19, 4 p.m.

FOR WAR REFUGEE BOARD FROM ACKERMANN ITALY No. 1.

This is my first message from Italy. ACC is well aware of problems involved in refugee movement and are giving full cooperation. Local United States Army section which will make medical examination and aid documentation has not received its orders yet but expects them soon. Leaving for Bari on June 20 to work on selection. Send all messages to me here. If important that Saxon also be advised of if it concerns strictly North African matters repeat messages to Algiers. Budget Bureau form 47B040 not used in Italy. ACC has different form containing substantially same information but also covers other matters to fit in with International Red Cross requirements. Assume use of substitute from satisfactory.

BRANDT.

EDA  
WMB

VIA COURIERJune 19, 1944  
9:20 AM

TO CERTAIN AMERICAN DIPLOMATIC OFFICERS:

CIRCULAR AIRGRAM

FOR THE INFORMATION OF THE AMBASSADOR:

The President has delivered the following special message to the Congress, reporting on the efforts of this Government to rescue the Jews and other victims of enemy oppression and specifically dealing with the action which he took on June 9 in establishing an Emergency Refugee Shelter in this country. The message was included in the radio bulletin of June 12.

You are requested to convey the contents of this message to the Government to which you are accredited and to use all possible means to give this message the widest possible publicity.

HULL

GHK

Send to AMEMBASSY

"	La Paz	Bolivia
"	Rio de Janeiro	Brazil
"	Santiago	Chile
"	Bogota	Colombia
"	San Jose	Costa Rica
"	Habana	Cuba
"	Ciudad Trujillo	Dominican Republic
"	Quito	Ecuador
"	San Salvador	El Salvador
"	Guatemala	Guatemala
"	Port-au-Prince	Haiti
"	Tegucigalpa	Honduras
"	Mexico, D.F.	Mexico
"	Managua	Nicaragua
"	Panama	Panama
"	Asuncion	Paraguay
"	Lima	Peru
"	Montevideo	Uruguay
"	Caracas	Venezuela
Sent to AMEMBASSY	Buenos Aires	Argentina for information only

WRB:MMV:OMH MA CCA BA BOL RPA WCA SE S/CR

HMK-894  
Distribution of  
true reading only by  
special arrangement  
(SECRET W)

Lisbon

Dated June 19, 1944

Rec'd 9:08 p.m.

Secretary of State,

Washington.

1892, June 19, 5 p.m.

WRB 77 JDC 19 FROM PILPEL FOR LEAVITT

Saly Mayer advises receipt \$300,000 for May.

Also 100,000 francs for Shanghai.

Norweb

BB - RR

BE-992

PLAIN

Lisbon

Dated June 19, 1944

Rec'd 6:10 a.m., 20th

Secretary of State

Washington

1893, Nineteenth 5 p.m.

FROM FILPEL FOR LEAVITT JDC TWENTY WRB 76

Barlas cables following emigration figures  
for May. Rumania 340 one boat Bulgaria 46 Greece  
74 Hungary and local none total 460. This for your  
information.

NORWEB

CSB

CABLE TO MINISTER JOHNSON AT STOCKHOLM FOR OLSEN FROM WAR REFUGEE BOARD

Reference your 1771 to Department, 17 to the WRB, of May 19.

Board of National Missions of the Presbyterian Church in the United States of America will transfer dollars 5,000 shortly to Birger Pernow, Director of the Svenska Israelsmissionen for Jewish relief. License will provide for your approval of project. Presbyterian indicates additional dollars 5,000 may also be available.

THIS IS WRB STOCKHOLM CABLE NO. 31.

\*\*\*\*\*

June 19, 1944

3:00 p.m.

LSLesserials 6/17/44

MMS

June 19, 1944

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

9 p.m.

AMLEGATION,

STOCKHOLM

1223

For Johnson from Pehle, War Refugee Board, as WRB cable no. 26.

Re your 2113. Authorization granted for purchase of furniture for Olsen up to \$1,000. Arrangement being made with State Department for payment through Legation facilities.

From Department.

You are authorized to expend not to exceed \$1,000 for above purpose accordance Regulations Section V-45 for reimbursement by War Refugee Board.

HULL  
(GHW)

WRB:MMV:KG  
6/16/44

BF

NOE

FA

June 19, 1944

AMLEGATION,  
BERN.

2102 nineteenth  
FOR CONSUL, GENEVA.

QUOTE Please take up following matter with Intercross:

The cargo of the SS. Christina which recently had to be beached near Cette has been salvaged and is now understood to be in the custody of Intercross representative at Cette. While the extent of damage to the cargo is as yet now known by the American authorities, it is presumed to be such that the cargo and particularly the prisoner of war food packages included therein are not in a suitable condition for forwarding to Geneva and for distribution to prisoners of war. The blockade authorities are agreeable to the distribution of the food items in the packages still suitable for human consumption by Intercross in refugee and concentration camps in southern France if Intercross can obtain from the German authorities the following assurances: (1) that Intercross delegates may supervise the distribution of these supplies in the camps and (2) that within a reasonable period, not to exceed a month, following distribution Intercross delegates may visit the camps to verify the correct use of the supplies.

Efforts are now being made to arrange to turn over without cost to Intercross that portion of food supplies in the cargo which is still fit for human use. It is suggested that Intercross approach the German authorities to determine whether, if the necessary arrangements can be made in other respects, Intercross will be in a position to distribute the supplies.

Please request Intercross to inform American authorities through you whether German authorities will permit distribution to be made under the above-mentioned conditions should it prove possible to turn over such supplies to Intercross for this purpose.  
UNQUOTE.

HULL  
(JHK)

Code Room

Please repeat to London, 4846 with preliminary paragraph as follows:

Following has been sent to Legation, Bern, for Consul Geneva, reference your 4681, June 10.  
740.0015 European War 1939/10003  
SWP:EDK:NEJ 6-15-44 WE BC EH WEB E/CR  
Cleared with FEA (Kiaer)

FROM: Secretary of State, Washington  
TO: AMEMBASSY, London  
DATED: June 19, 1944  
NUMBER: 4829

## CONFIDENTIAL

See your 4681, June 10.

In principle we are in agreement to the disposition of the cargo of the Christina as proposed in the reference above. Title to packages of food in the cargo, however, is in the French Committee and the Government of Belgium. Algiers is being requested to ascertain whether the Committee is agreeable to the distribution in the camps in the south of France of the part of the cargo which is salvageable; whether for this use it would be ready to make a donation of such materials to Intercross; should the Committee not be agreeable to making such donation, whether at a value to be ascertained by Intercross the Committee would be agreeable to the sale of such materials.

Concerning the part of the cargo to which the Belgian Government has title, the Belgian representative in New York for prisoner-war relief, du Parc, has in substantially the same sense wired the Government of Belgium in London. Will you indicate to the proper Belgian officials our desire to make arrangements for the prompt disposition of these materials since even that part which is now fit for human consumption may spoil quickly.

The understanding is that du Parc has made the suggestion that the Government of Belgium donate the materials to Intercross with the provision that the Government of Belgium be freed of responsibility regarding costs of salvage. Arrangements will be made by the War Refugee Board for the utilization of materials in French camps and if required for the necessary financing. However, there should be made no commitment along that line. The suggested solution which du Parc has made probably would be agreeable provided that costs of salvage were not in excess of the value of the items which could be used. The Government of Belgium, should that be the case, would be expected to pay the difference between the costs of salvage and the reasonable value as ascertained by Intercross.

HULL

\* of

## ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Legation, Bern  
DATED: June 19, 1944  
NUMBER: 2103

## CONFIDENTIAL

From War Refugee Board for McClelland

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 Cable to Bern no. 51.

HULL

## ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Legation, B<sub>e</sub>rn  
DATED: June 19, 1944  
NUMBER: 2104

## CONFIDENTIAL

The War Refugee Board requests that you deliver the following message to Mr. Isaac Sternbuch, 3 Teufener Strasse, St. Gallen:

"Cable whether rescue through passports still feasible, also whether foreign consular letter stating that its government registered application for citizenship thereby extending to applicant protection as citizen sufficient.

Regarding Neutra rabbi's also Freudiger's plans inform us details of rescue already accomplished through money remitted thereby enabling us send additional sums. Also inform us details rescue already accomplished Holland, France, Belgium.

Contact Griffel Wolbe helping them in all rescue projects. Contact McClelland explaining him your plans and trying to secure his assistance. Advise Freudiger to contact Saly Mayer requesting Joint's major financial assistance.

Remitting \$100,000 in Swiss francs for all rescue projects. More money forthcoming soon.

Abraham Kalmanowitz,  
Vaad Hahatzala

THIS IS WRB BERN CABLE NO. 45

HULL

LL-780

PLAIN

Bern

Dated June 19, 1944

Rec'd 5:10 p.m.

Secretary of State,

Washington.

3914, Nineteenth.

Berlin OSTEXPRESS eighth states Rumanian Justice Minister due recent influx Jews presumably from Hungary and Poland issued decree providing death sentence as punishment for illegal entry Rumania by foreign Jews with similar punishment for persons making possible such entry.

HARRISON

CSB

DRAFT OF CABLE TO AMBASSADOR STEINHARDT, ANKARA, FOR  
HIRSCHMANN.

We would like report as promptly as possible on  
status of Schleifer children case which was discussed with  
Hirschmann prior to his departure. We understand case  
has previously been taken up with Ambassador Steinhardt  
and Barlas. Davila is interested in matter and has  
authorized the use of his name with Cretzianu if deemed  
desirable by you. Schleifers willing to provide necessary  
expense funds.

THIS IS WRB CABLE TO ANKARA NO. 56.

\*\*\*\*\*

June 19, 1944

5:00 p.m.

JMP:Lhh 6/19/44

## PARAPHRASE OF TELEGRAM RECEIVED

From: American Embassy, Ankara  
 TO: Secretary of State, Washington  
 DATED: June 19, 1944  
 NUMBER: 1104

## CONFIDENTIAL

The Ambassador sends the following, Ankara No. 77, for the War Refugee Board.

Department's cable dated June 15, No. 534, is referred to herewith.

Since representatives of the various Jewish organizations in Istanbul or others during recent months have reported to the Embassy only one instance of refusal of entry into Turkey to Jewish refugees without visas by Turkish border guards, the details of the reports which have come to the board's attention that such occurrences have been "not infrequent" would be appreciated by me so that I may bring these specific cases to the attention of the Turk authorities. While it is most unlikely that the Turk authorities would enter into an "arrangement" for the violation of their own laws by agreeing that refugees without Turk visas could enter Turkey, as stated in my cable dated June 5, No. 1010, on several occasions I have been assured by the Turk Foreign Office that entry would not be refused to Jewish refugees provided that British and Jewish agency representatives in Istanbul issue them Palestine entry certificates. Such certificates are being issued now without delay as a matter of course, and consequently a considerable number of Jewish refugees without Turk transit visas who have arrived overland at Turk border points from Bulgaria have passed through Turkey en route to Palestine. For some time past, Turk border guards have been under instructions not to turn back Jewish refugees but to detain them on the Turk side of the frontier pending instructions. It is essential, in view of the foregoing, that I be furnished immediately with the details of all cases in which Turk border guards have failed to carry out their instructions. As matters now stand refugees arriving overland are no less favorably placed than those who arrived by sea. I do not anticipate any unfavorable change in this situation since the arrivals by sea without Turk visas have far exceeded the arrivals by rail. Thus it would seem from the Department's cable under reference that the Turk authorities have been taking substantially the same position as those of the other neutral countries adjacent to enemy controlled areas who have refrained from barring the entry of refugees. The Turk authorities might be frightened by an attempt to convert the present benevolent attitude of the Turk authorities in admitting refugees arriving by sea or land without Turk visas into an arrangement of a more formal character, and they might suspect the organization of a movement beyond their physical capacity to deal with and it would result

would result in our losing some of the ground already gained rather than making a further advance. Since our objective is to evacuate the maximum possible number of refugees from the Balkans to Turkey or Palestine, I feel that at least for the present we should seek to hold the Turks to a strict compliance with the informal assurances that they have given me rather than press for a formal agreement which would involve the risk of withdrawal of the informal assurances. .

If notwithstanding what I have pointed out above, it is preferred by the board and the Department that I press the Foreign Office for a formal agreement, of course I shall try to do as you wish.

STEINHARDT

## PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Moscow  
TO: Secretary of State, Washington  
DATED: June 19, 1944  
NUMBER: 2179

## CONFIDENTIAL

Reference is made herewith to Embassy's message dated June 14, No. 2142.

It is stated in a note dated June 18 from Vyshinski relating to proposals of the War Refugee Board that at the present time the Soviet Government is studying the proposals set forth in the Embassy's letter dated June 14, and that the decisions which the Soviet Government takes will be promptly communicated to the Embassy.

HARRIMAN

DEPARTMENT  
OF  
STATE

INCOMING  
TELEGRAM

DIVISION OF<sup>92</sup>  
COMMUNICATIONS  
AND RECORDS

EOC-724

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

Santiago

Dated June 19, 1944

Rec'd 3:02 p.m.

Secretary of State,  
Washington.

DEPARTMENT OF STATE

JUN 20 1944

COMMUNICATIONS  
AND RECORDS

US URGENT

1558, June 19, 1 p.m.

Please expedite reply to Embassy's 1001, June 9,  
5 p.m.

Hermann Max Coers.

BOWERS

RB

EJH

Re: visitors visa for member of Chilean delegation  
to International Monetary Conference.

MJB-966

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

Bogota

Dated June 19, 1944

Rec'd 3:10 a.m., 20th

Secretary of State,  
Washington.



1106, June 19, 7 p.m.

Columbian Government has officially named Carlos Lleras "President of Delegation" to the Bretton Woods Conference. Reference Embassy's telegram 1071, June 14, 5 p.m. Same decree names Miguel Lopez and Victor Dugand as "delegates" and Antonio Puerto and Salvador Camacho Roldan as "Counselors of the Delegation".

Victor Dugand is a conservative banker of Barranquilla believed to have been Colombian Consul in Los Angeles some years ago. Foreign Office states Dugand has not yet accepted and his date of departure, if he accepts, is unknown.

Salvador Camacho is prominent Bogota businessman and financier, has been in the United States for past several months.

Foreign Office states four bedrooms and three  
offices

-2-#1106, June 19, 7 p.m., from Bogota

offices requested Embassy's 1071 is satisfactory arrangement pending further information. Foreign Office believes secretarial will be provided by Colombian Embassy at Washington and has no knowledge of this matter.

Travel arrangements requested in Embassy's 1071 still required. Request that Spruks meet Lleras, Lopez and Puerto on arrival at Miami and obtain drawing room for Lleras and Puerto to New York. Miguel Lopez has not made plane reservations north of Miami and it is assumed that he will want train accommodations to Washington for himself and Mrs. Lopez.

LANE

RR NPL

DEPARTMENT  
OF  
STATE

INCOMING  
TELEGRAM

DIVISION OF  
COMMUNICATIONS  
AND RECORDS <sup>95</sup>

HIS-688

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

Cairo

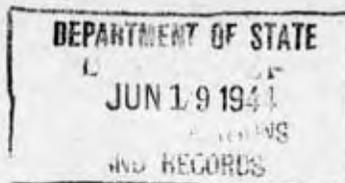
Dated June 19, 1944

Rec'd 13:30 p.m.

Secretary of State,  
Washington.

URGENT

1671, June 19, 10 a.m.



The Legation has issued official section three

(1) visas to the members of the Egyptian delegation to the Monetary and Financial Conference who are departing for the United States early tomorrow morning without awaiting the authorization requested in the Legation's 1580 of June 10, 6 p.m., 1607 of June 14, 9 a.m. and 1645 of June 16, 8 p.m.

Inasmuch as the delegates are proceeding at the invitation of our Government (Department's circular telegram of May 25, 5 p.m.) The Department's approval is anticipated. Further delay would have necessitated cancellation of air transportation arranged by the Legation for all members.

WSB  
BB

TUCK

DEPARTMENT  
OF  
STATE

INCOMING  
TELEGRAM

96  
DIVISION OF  
COMMUNICATIONS  
AND RECORDS

FMH-825

PLAIN

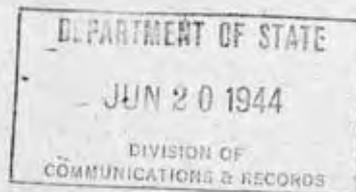
San Salvador

Dated June 19, 1944

Rec'd 6:17 p.m.

Secretary of State,  
Washington.

207, nineteenth



Reference Monetary Conference circular telegrams of May 25 and June 3, 6 p.m. Salvadoran Delegation will include Agustin Alfaro Moran as head delegate with Dr. Raul Gamero C and Ingeniero Victor Manuel Valdes as members. No subordinate personnel. No office space required. Valdes is already in Washington. Alfaro will arrive New Orleans June 23 Pan American without further priorities. He wishes proceed New York by air will arrive Washington about twenty-sixth. Gamero and wife expected to arrive Miami by Taca June twenty-sixth and will wish to proceed immediately New York probably by train. They have no reservations. He may join delegation at Washington or special train at New York.

GADE

CSB

DEPARTMENT  
OF  
STATE

INCOMING  
TELEGRAM

97  
DIVISION OF  
COMMUNICATIONS  
AND RECORDS

HIS-834

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

Port au Prince

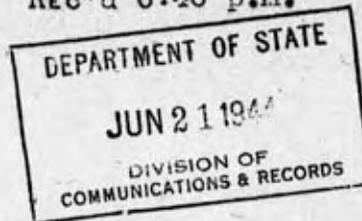
Dated June 19, 1944

Rec'd 6:46 p.m.

Secretary of State,

Washington.

187, June 19, 4 p.m.



Embassy has been officially informed that Haitian Ambassador at Washington and Pierre Chauvet Under Secretary of State for Finance at present in United States have been designated to represent Haiti (Embassy's telegram No. 177, June 13, 9 a.m.)

WILSON

WSB  
RR

BK 745 Page 98

State Dept. cable:

India's sterling

6.19.44

balances

II. III. C:

12. 4. 44

DEPARTMENT  
OF  
STATE

INCOMING  
TELEGRAM

DIVISION OF  
COMMUNICATIONS  
AND RECORDS

PEM-703

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

Teheran

Dated June 19, 1944

Rec'd 12:38 p.m.

Secretary of State,  
Washington.

438, June 19, 2 p.m.

DEPARTMENT OF STATE  
DIVISION OF  
JUN 20 1944  
COMMUNICATIONS  
AND RECORDS

Foreign Office stated Iranian delegation will need one room as office space at United Nations Monetary Conference. (Department's circular June 3). Ebtehaj left today by air for the United States.

FORD

RB  
EJH

DEPARTMENT  
OF  
STATE

INCOMING  
TELEGRAM

100  
DIVISION OF  
COMMUNICATIONS  
AND RECORDS

FBM-707

PLAIN

London

Dated June 19, 1944

Rec'd 1:52 p.m.

Secretary of State,  
Washington.

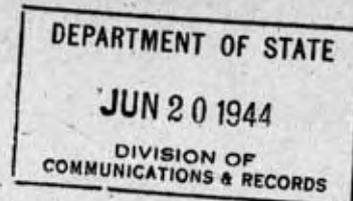
18, Nineteenth.

NOWEG FROM SCHOENFELD.

Arne Skaug Norwegian Embassy Washington  
appointed delegate to Monetary Conference in  
addition those mentioned my 16 seventh.

WINANT.

CSB



DEPARTMENT  
OF  
STATE

INCOMING  
TELEGRAM

101  
DIVISION OF  
COMMUNICATIONS  
AND RECORDS

FMH-835

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

Lima

Dated June 19, 1944

Rec'd 6:45 p.m.

Secretary of State,  
Washington.

DEPARTMENT OF STATE  
DIVISION OF  
JUN 20 1944  
COMMUNICATIONS  
AND RECORDS

811, June 19, 2 p.m.

Foreign Office advised Monetary Conference delegates Dasso, Llosa and Monge accompanied by his wife have postponed departure from Lima to Friday June 23. See my telegram No. 787, June 15, noon.

WHITE

RR WSB

DEPARTMENT  
OF  
STATE

INCOMING  
TELEGRAM

DIVISION OF  
COMMUNICATIONS  
AND RECORDS

102

KEM-971

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

Caracas

Dated June 19, 1944

Rec'd 3:18 a.m., 20th.

Secretary of State,  
Washington,

DEPARTMENT OF STATE  
JUN 20 1944  
RECORDS

US URGENT

640, June 19, 7 p.m.

Venezuelan delegation named in telegram 626, June 17, 7 p.m. leaving for Washington via Miami, June 23. Delegation has been granted appropriate air priority.

In addition to five members proceeding from Venezuela Foreign Office states two stenographers will be supplied by Venezuelan Embassy at Washington.

Foreign Office also requests that the Department be informed that Doctor Cristobal Mendoza would be grateful if his wife, who will accompany him, can be given accommodations with him on special train to Bretton Woods, where she has arranged for her own accommodations apart from Mount Washington Hotchkiss.

CORRIGAN

JT BB

SECRET

Copy No. 11

OPTEL No. 200

Information received up to 10 A.M. 19th June 1944.

1. NAVAL

Normandy Shelling of Eastern Beach, and consequent damage to ships unloading, is increasing. Naval bombardments have beaten back several German attacks on Eastern flank.

Yesterday morning M.T.B.'s damaged enemy Trawlers and Minesweepers off West Coast CHERBOURG PENINSULA.

Yesterday on of H.M. Destroyers sank a U-boat off NORTH BRITANNY

2. MILITARY

France U.S. Forces have cut all German land communications with CHERBOURG. Advancing from St. SAVEUR LE VICOMTE they have reached coast in area BARNEVILLE SUR MER and FORTBALL. They are now advancing Northwards up the Peninsula. Little change on rest of front. Heavy fighting has continued in area TILLY SUR SEULLES and a strong German attack has been repelled near BRIQUESSARD, two miles East CAUMONT.

Italy In ADRIATIC Sector, Poles are approaching RIVER TRONTO. German resistance increasing on whole front from PERUGIA westwards. U.K. troops of 8th Army are closing in on PERUGIA and French have taken RADICOFANI. On the left, U.S. leading troops are about 10 miles North GROSSETO. Ground movement slowed up and air operations hampered by heavy rain.

Elba Operations progressing satisfactorily. Two Senegalese Regiments making steady advance Eastwards.

Russia Russians broke through Mannerheim line on 18th and have captured port of KOIVISTO 25 miles south VIBORG and over 100 places including one only 17½ miles south VIBORG.

3. AIR OPERATIONS

Western Front 17th/18th 700 tons dropped at military constructions. 18th. Over 3,750 offensive and escort sorties flown. Fortresses and Liberators sent on oil targets found considerable cloud and were obliged to transfer to their secondary objectives: HAMBURG 2,555 tons, BREMERHAVEN 240, HANOVER 170, BRUNSBUTTEL 117, with results mostly unobserved: military constructions PAS DE CALAIS 195, results unobserved. Medium and fighter bombers attacked bridges and railways 155 tons and fuel dumps 205 tons. Fighter patrols and armed reconnaissances over assault area and PARIS involved over 1,200 sorties: 90 motor vehicles destroyed. Allied losses, 26 aircraft.

18th/19th. 10 Mosquitoes operated against military constructions. PAS DE CALAIS and 7 heavy bombers laid sea mines. 4 JU.88 destroyed by other Mosquitoes over Channel and bridgehead area.

Enemy During 24 hours ending 5:40 A.M. today, 110 P. A/C operated over S.E. ENGLAND of which 50 reached LONDON area. Preliminary reports state 41 destroyed by British fighters while 20 claims by A/A are under investigation.

Italy 17th. 18 bombers and 284 fighters attacked communications.

Elba 16th/17th Wellingtons and Liberators bombed two harbours. On 17th 122 Spitfires flew patrols and reconnaissances over the Island.

Rumania 16th/17th Heavy bombers dropped 90 tons TIMISOARA Railway Centre with excellent results.

4. HOME SECURITY

18th. Day incidents reported from 16 LONDON Boroughs mostly South of River and in S.E. England. Evening and 18th/19th. 25 incidents reported GREATER LONDON. 2 P. A/C in shopping centre WALTON-ON-THAMES and house damage EASTBOURNE Day casualties reported: killed 141, seriously wounded 813, unclassified 163, Night: killed 63, seriously wounded 119, unclassified 86.

June 20, 1944  
10:31 a.m.

HMJr: Hello.

Alfred  
Steele:

I tried to get you on the business phone last night at the Stadium, but they couldn't -- apparently you'd gone, or the confusion was too great. I wanted to tell you, you were wonderful!

HMJr: Really?

S: I got the biggest kick out of it, and so did the whole family.

HMJr: Well, that's good.

S: You're getting to be a "Pro".

HMJr: Well, I'm glad, at least, you're not ashamed of your protege.

S: (Laughs) I was ....

HMJr: Are you -- are you home sick?

S: No, I came -- I went to the doctor this morning, and then came to the office.

HMJr: Well, in the first place, I wanted to thank you for getting me the time. I sent a telegram -- I went you one better -- I sent a telegram before the broadcast to Mr. Woodruff, saying I hoped he would listen to it.

S: Uh - huh.

HMJr: And now I'm going to write him a letter telling -- thanking him for the time.

S: Wonderful!

HMJr: Now, how did you feel about the rest of the broadcast?

S: Well, I thought it was very good. The outdoor thing was -- was a little bad on the music.

HMJr: Well, we missed you, because, I'll tell you, it was, as far as the confusion was concerned, it was an all-time tops.

- 2 -

S: Uh - huh.

HMJr: And there was nobody there to pull it together, and I - I don't know what went wrong, but I'll say this for Orson, he does give me the best stuff to say that anybody ever has. And when I say I want to say something about no negotiated peace and ultimate -- you know ....

S: Yeah.

HMJr: .... he gives me what I want.

S: Well, of course, the advantage there is that he believes like we do.

HMJr: That's right.

S: And when you believe it, and with the ability to write that he has, why, the combination of the two can't be beat.

HMJr: Yeah.

S: Now, when we're selling a concept or when you're selling a concept as we have in these last shows, there -- naturally, it doesn't have the popular appeal of some other things that we might do, and I believe that we're going to have a little criticism on it, but I don't think that that should bother us or throw us off the track from continuing, in view of the fact, particularly, that you're the only government agency and the only government man that is doing it, I don't think that what criticism that might accrue to us for being -- selling a concept and not being as entertaining, maybe, as we could be, should throw us off the track of doing what we're doing, because I'm convinced we're right, and - and the thing still has to be borne down on and still has to be sold.

HMJr: Oh, my, and more than ever. The -- the spirit out in Chicago is something terrible.

S: Uh - huh.

HMJr: Uh - the people aren't buying bonds, Al.

S: Uh - huh.

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HMJr: I mean, we're going to just go out and sell them the way we sell them any other merchandise. They're not coming up, and -- to the counter and buying.

S: That's right.

HMJr: And -- ah -- the war's over, so far as they're concerned.

S: That's right. And, of course, that mass psychology of the war being over and that it's not serious and we didn't kill as many on the beaches as we thought and everything of that kind, all those things that drive right towards a negotiated peace.

HMJr: That's right.

S: And those things -- that's - that's the reason that I've -- I'm even a little emotional, and I still think that I've got my viewpoint and my perspective right on this thing, despite the fact that I've got my emotions in it.

HMJr: Well ....

S: Because I've been pretty much able to put myself outside of your problem and see what it really is, and I believe that - that we're definitely - I think I could stand up under any circumstances and defend exactly what we're doing and why we're doing it, and that it's the sound thing to do despite the fact that we may not carry the enormous audiences that we could if we went in the other direction.

HMJr: Yeah. Now, I'll tell you what I'd like you to do for me.

S: Yes.

HMJr: After all, your botflers are as good a cross-section as anybody in America ....

S: That's right.

HMJr: Have you some way of finding out how they felt about that broadcast last night?

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S: Why, within four or five days we can tap better than half of them.

HMJr: Will you do that?

S: Yes, sir.

HMJr: I - I'd like to know.

S: All right. Fine.

HMJr: I'd like to know, if possible, before Monday before I go on the air again.

S: All right. I'll -- I can do it by then.

HMJr: And, can you also find out how your boss ....

S: Sure. I'll see him, and he - he happens to be here in New York.

HMJr: Does he?

S: And I - I'll probably see him within an hour.

HMJr: Find out, and give me a call between two-thirty and three, will you?

S: All right, sir. I'll do it.

HMJr: Will you do that?

S: I certainly will.

HMJr: And, I - I want ....

S: You're back in Washington?

HMJr: Yeah. I flew back last -- this morning, and -- and how do some of the people on the Blue feel. Do a little phoning around.

S: All right, sir. I'll do it.

HMJr: But I'm ever so much obliged, and I -- I'm going to write Mr. Woodruff, and you tell him. I sent him a telegram to Atlanta. I don't know whether he got it or not.

S: Uh - huh.

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HMJr: But, I'm -- I'm glad that you feel we're on the right track.

S: Well, I'm sure we are, and I - I think we're going to need some defense, but I don't think any of us should weaken on it at all. I ....

HMJr: Well, the way I feel is, I feel that after having been out there, that it's more necessary than ever. Somebody's got to do it.

S: That's right.

HMJr: Now, you'll be interested to know that that part about -- at the end of my talk ....

S: Yes.

HMJr: .... the whole of that was wired to Hyde Park, and the President cleared the whole of it and never changed a word.

S: Wonderful!

HMJr: I mean, it - it all went to him.

S: Fine.

HMJr: And he cleared the whole of it, and never changed a word. So, that ought to be encouraging. But there's nobody else around here who's got the nerve to do it.

S: That's right. They're all afraid the conventions are coming up and all of this political thing is jumping and the war and everything, and everybody's afraid to take any stand on anything.

HMJr: Yeah.

S: It's really appalling!

HMJr: It is. Well, thanks again.

S: And I'll call you between two-thirty and three.

HMJr: Will you do that?

S: I will.

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HMJr: Thank you.

S: You bet. Good-bye.

June 20, 1944  
10:38 a.m.

HMJr: Hello.

Operator: Randolph Burgess.

HMJr: Hello. Hello.

Randolph Burgess: Hello, Henry.

HMJr: How are you?

B: Fine. I see you made quite a speech yesterday.

HMJr: Did you listen?

B: No, I didn't. I didn't know it was on the air.

HMJr: Oh!

B: They -- they -- something wrong with your advance agents here.

HMJr: Don't -- didn't they have it in the papers yesterday?

B: Ah -- well, I didn't notice it.

HMJr: Yeah.

B: How many did you have? About fifty thousand people there at the thing?

HMJr: No, it was bad weather. I doubt if we had thirty.

B: Yeah. Well, that's pretty good.

HMJr: Yeah. Randolph, I got your message. What's on your mind?

B: Well, I want to talk to you about this monetary thing.

HMJr: I see. Well ....

B: I'm very much disturbed about it, Henry ....

HMJr: Hello?

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B: .... and I just want to talk with you about it.

HMJr: Well, now, I haven't made my plans, but I'll certainly make it so that I can see you.

B: Well, that's fine.

HMJr: It will be some time in the afternoon.

B: All right.

HMJr: And during the day, as I make up my schedule, I will keep you in mind.

B: Well, I'll be at the lunch ....

HMJr: Right.

B: .... and then you can let me know there -- it will be all right.

HMJr: Well, they -- they're very anxious that I see this Arms show.

B: Well, I think that's very nice.

HMJr: Yeah. Do you think I ought to do that?

B: Yes, I do.

HMJr: Right.

B: I think it would be very -- very interesting.

HMJr: Well, if I did it, it would be after that.

B: Yeah.

HMJr: Yeah.

B: Yeah. Well, I might go over there with you.

HMJr: Okay, that would -- why don't you plan on doing that?

B: I'll come to the lunch and I'll stay with you until you have time.

HMJr: That's -- that would be ....

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B: How's that?

HMJr: .... that would be the best way.

B: That's the stuff.

HMJr: Right. If you'd asked for five minutes, I'd have said "yes", but when you asked for an hour, it scares me.

R: (Laughs) Well, I just wanted to be sure you ....

HMJr: Well, you stay with me after the lunch and we'll find some place to talk.

B: All right. That's fine, Henry.

HMJr: Right.

B: Very good. I'll be there.

HMJr: Thanks. Thank-you.

B: How do you like being a trooper?

HMJr: (Laughs) Ah -- it's too -- ask me -- I like it. I'm learning America, and I've got to learn it, and ....

B: Yep. Well, I've been doing the same thing.

HMJr: .... unless I go out, I can't find out what makes it click.

B: You're absolutely right.

HMJr: Yeah. Okay.

B: Well, I'll see you at lunch then.

HMJr: Thank you.

B: Good. Good-bye.

June 20, 1944  
11:00 a.m.

GROUP

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

H.M.JR: Mr. Roosevelt is a hard man to turn down.

MRS. KLOTZ: Is that on Burke?

H.M.JR: Yes. He does it so nicely. He says, "All things considered, I think it is best to go ahead with the appointment of William H. Burke as Collector of Customs. He may not seem the right type of man to make a Collector, but on the other hand, he may turn out to be extremely good at it. Remember the old boy in Maryland?"

MR. GASTON: Oh, yes, I remember. This fellow, Bowman, is also turning out pretty good, too.

H.M.JR: "Remember the old boy in Maryland who did not look so good but turned out to be a peach - one of your most beautiful McIntosh's? Will you let me have the nomination to send up?"

I will do it today.

MRS. KLOTZ: You knew that.

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H.M.JR: Oh, sure. That is all right.

You say Bowman is turning out all right, too?

MR. GASTON: Yes. I don't know what his private interests are right now - I don't want to know too much about them - but as a Collector, he is doing all right.

H.M.JR: All right.

MRS. KLOTZ: Who gets this? (Refers to memorandum from the President)

H.M.JR: I keep it. Mr. Gaston takes care of it.

MR. GASTON: Yes. I don't know whether Bowman still has all the gambling concessions in North Mexico or not, but we are not inquiring. (Laughter)

H.M.JR: Well, they tell me the thing to have is a Coca Cola concession and then your grandchildren are taken care of.

Can I have the privilege of doing mine first?

Now, I read the memorandum from Sullivan in regard to Olrich. Where does that stand now?

MR. O'CONNELL: Well, I could tell you. We have talked with Olrich and we have also talked with the people in OPA, and the situation is that a suit has been commenced in Chicago against Munsingwear. The issue is a very technical issue; there is no question of any moral turpitude, or anything of that sort. There were three possible ways of presenting their material under the OPA regulations. They took one way, and OPA thinks they should have taken another. After a long period of negotiation, in attempting to reach an amicable agreement, they were unable to, so OPA has brought suit.

We talked to the people in OPA yesterday and they reaffirmed what Mr. Field has already said to Mr. Sullivan

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some time ago, that there was no question of moral turpitude - it isn't a black market situation, and nothing that involves Mr. Olrich, personally.

They see no reason why, as they said when John talked to Field, he should not continue to be employed by the Treasury Department while this suit is going on or until it is decided. Mr. Olrich feels quite differently about it, I think, but as far as OPA is concerned - their view - I could read it - it is one paragraph here:

"They, OPA, stated, in effect, that the violation involved an honest difference of opinion as to the interpretation of the regulations, and in no way involved moral turpitude or action tantamount to black market or price ceiling excess. They further stated that their investigation showed no element of personal responsibility on the part of Mr. Olrich. There is no reason for embarrassment either to the Treasury or the price enforcement activities of the Government in Mr. Olrich's continuance in his present office, notwithstanding the filing of this suit. It is their view that the suit involves, primarily, a question of legal interpretation to be decided principally on the basis of documentary material which should not require the discontinuance of Mr. Olrich's services to the Government. They further said that they would be glad to make any reasonable arrangement which might assist Mr. Olrich's continuance in office by expediting the trial or deferring it, as he and his company might wish."

Now, Mr. Olrich doesn't feel this would be an answer. I talked to him on Saturday.

(Mr. Schaeffer enters the conference)

MR. O'CONNELL: He has a letter from the Chairman of the Executive Committee of his company in which he takes the position that it is Mr. Olrich's duty to his stockholders to get out of this place and go back to Chicago or Minneapolis and devote his time to the affairs of the company, particularly defending this law suit.

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It is an important suit from the standpoint of the company; if OPA is right, it will cost Munsingwear maybe a half million dollars and will require them to change their entire pricing method, which they have been following for some time. So it is an important suit.

He is being pressured by his Board of Directors to return. He is inclined to want to return, himself, as he stated to us on Saturday.

H.M.JR: Well, supposing that Sullivan and you and I get together at nine o'clock tomorrow morning.

MR. SULLIVAN: That is good.

H.M.JR: With Olrich.

MR. O'CONNELL: There is one suggestion I would like to throw in as the way of handling it. You may not have time to do it now. It is entirely possible that as an interim arrangement you might suggest to Mr. Olrich that we give him a leave of absence from his leave of absence for a week or so to go back to Chicago and help to prepare the case for trial, or help prepare the answers, with the idea that it may be that after he has cooled off a little bit he would be able to realize that he isn't going to be of any particular assistance to the trial of this suit, and he might be in a position to come back. That is the only alternative I have.

H.M.JR: Well, let's see. I don't know. There was a banker there for luncheon yesterday who evidently is in the produce business as well. He said his company did five hundred thousand dollars last year and OPA challenged a hundred and fifty-four dollar item out of a five hundred thousand dollar business, with the result that he paid a four hundred and fifty dollar fine. He said, "That is on my record - five hundred thousand dollars and they questioned one hundred and fifty-four dollars."

MR. SULLIVAN: The reason I sent that memorandum to you, Mr. Secretary, was I was afraid over the weekend you might get worried a little bit.

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H.M.JR: I did. I read it, but there was nothing I could do.

MR. O'CONNELL: This is a big suit; this is not a one hundred and fifty-four dollar item. It has to do with the whole method of pricing. OPA says they should use the prices existing in July of '41; they say they could use those existing in February of '42. In the meantime there was a substantial increase in prices, so the difference is a lot of money.

H.M.JR: Let's get into it tomorrow morning and we will see, right?

MR. SULLIVAN: Right.

H.M.JR: Now, I have before me - taking them in the order they come - an article by Drew Pearson on various Government officials. What is the story on that, Charlie?

MR. SHAEFFER: Just another one of those things that he wrote out of thin air. I have had a call in for him. I can't find him; I don't think he is in town.

H.M.JR: Anybody else inquire?

MR. SHAEFFER: No, sir, no one.

H.M.JR: Did you tell the boys?

MR. SHAEFFER: Yes, sir.

H.M.JR: I mean, do they know the correct story?

MR. SHAEFFER: Yes, sir, they do.

H.M.JR: They know when I do and don't use the plane?

MR. SHAEFFER: Yes, sir.

H.M.JR: That is about all I can do?

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MR. SHAEFFER: That wasn't carried in the Washington papers, by the way - that column. The whole column was killed Saturday.

H.M.JR: Well, as long as the press people know, you know--

MR. SHAEFFER: They know it.

H.M.JR: Any suggestions, Herbert?

MR. GASTON: No, I think that is about all we can do.

H.M.JR: Keep that. I think we want a scrapbook on Pearson.

MR. SHAEFFER: I think we have a few special books. Whether we have one on that, I don't know.

H.M.JR: Now, I have this thing from Mrs. Roosevelt. Do we have a letter that we sent back?

MRS. KLOTZ: I think so.

H.M.JR: The only thing in this, John, that I would like you to look into - I say here that in this report which Haas makes on this book called "The Fork in the Road," by Alvin W. Hofer, he makes the statement in there that Cornell University - that Gannett, in connection with the trusteeship of Cornell University, used the funds of Cornell University to buy a newspaper in Binghamton.

Well, it is an educational institution; it is tax-free. Now, I don't know whether an educational institution can be tax free and go into business or not.

MR. SULLIVAN: That was the big fight two years ago when Randolph tried to prevent them from doing that and the Congress refused to go along.

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H.M.JR: So there is nothing we could do. If he is correct - this is full of inaccuracies, but you might take a look at that angle.

MR. SULLIVAN: Yes, sir.

MR. GASTON: I suppose it would be buying bonds, or something of that sort.

H.M.JR: The man has made a lot of statements which aren't true, I know, so I wouldn't know whether this was true or not.

MR. SULLIVAN: I will find out.

MRS. KLOTZ: Is that the thing that Blough prepared a memorandum for you on?

H.M.JR: No, this is Haas. I should send it back.

MR. GASTON: I suppose Cornell has endowment funds that they invest.

H.M.JR: I wouldn't take it for granted.

MR. SULLIVAN: What is this?

H.M.JR: This is a book that a fellow has written about Cornell and the whole crowd, do you see? Mrs. Roosevelt sent it to me to review it, which Haas has done. Where is Haas?

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

MRS. KLOTZ: He sent the whole summary of the book; that is all he says. Do you want to send the summary to Mrs. Roosevelt?

H.M.JR: Yes. Why don't we give that to Mr. Sullivan and ask Sullivan to prepare a letter based on that for Mrs. Roosevelt - do you mind?

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MR. SULLIVAN: No, I will be very glad to.

H.M.JR: Here is the book and here is the review.  
(Hands Mr. Sullivan copy of "The Fork in the Road" and  
Mr. Haas' memorandum of June 16, 1944)

Do you mind making me up a letter?

Now, the other thing I have is this - Glasser, I  
read this cable on Naples; now, where is your report?

MR. GLASSER: I am getting into the last draft now.  
I will have it in a day or two.

H.M.JR: The next move is from you?

MR. GLASSER: That is right. But if I may just make  
a point on that - they have now increased the bread  
rations in Italy. I think your talk with Henry  
had a very good effect.

H.M.JR: Well, that is something - if I did a little  
something.

Now, here is a memorandum from the President to me  
that I should see this Chinese Ambassador in connection  
with this memorandum. I wonder if there is anything  
more I should see the President about? Should I see the  
Chinese Ambassador?

MR. GLASSER: On which memorandum - April 19?

H.M.JR: This one. I don't know the date on it.  
The one I gave the President when he gave me one.

MR. GLASSER: No, I don't think you should see him.  
If Kung is coming you will probably take up the whole  
question again with Kung and there is nothing new in the  
memorandum.

H.M.JR: You think that will be all right? I told  
the Ambassador I would study it and give him an answer.

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MR. GLASSER: Then we might give him a short answer in terms of the lines of the discussion until Kung arrives. I will prepare a draft.

H.M.JR: All right. (To Mrs. Klotz) Tell them outside I will see the Chinese Ambassador at three o'clock Thursday. (To Mr. Glasser) Will you be here?

MR. GLASSER: Yes.

H.M.JR: I want you there.

Now, may I tell Mr. Dan Bell that of all the offices I inspected recently, the one in Chicago is tops.

MR. D.W. BELL: Thank you.

H.M.JR: It is the most businesslike office that I have been in, in the Treasury, in a long time.

MR. D.W. BELL: That is very nice. I am glad to hear you say it.

H.M.JR: I told the press that any businessman - I said, looking at the Chicago Tribune, that any publisher or reporter of any newspaper should take a walk through that office. That is the best run office I have seen in a long time.

MR. GASTON: The Public Debt Office?

H.M.JR: Yes. It is a beautifully run factory.

MR. D.W. BELL: Gene Sloan has done a good job since he has been there getting nice working arrangements.

H.M.JR: (To Mr. C.S. Bell) I picked up this slip of plans for the red, white, and blue boxes. I would like to see some.

(Mr. Tickton enters the conference)

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H.M.JR: What is the matter with George?

MR. TICKTON: I haven't had any word from his office today.

MR. D.W. BELL: He was here yesterday. Henry has been sick for several days.

H.M.JR: All right.

But I would like to see some of those in the Treasury and all over the United States (referring to red, white, and blue boxes).

MR. C.S. BELL: All right, we will put them in. We have a suggestion box, but not just in this form.

H.M.JR: If you go around the corner you bump into one, if they are really there. The only complaint I have, I told the press, was that I picked up a nineteen-cent sandwich that looked like seven cents to me! I bought a sandwich in the place where the girls go to eat. They charge twenty cents for a sandwich. I wish you would see what was inside of it. There is a contractor downstairs who should be on a cooperative basis. They are charging girls nineteen and twenty cents for a sandwich. What does it cost to get a sandwich downstairs?

MRS. KLOTZ: You can't get one.

MR. TICKTON: You can get them at the counter downstairs.

H.M.JR: There is nothing there. It is a contractor.

MR. D.W. BELL: That is a commercial thing. A lot of other people in the building besides Government employees.

H.M.JR: Yes, but we have a thousand there. We could run our own little places.

MR. D.W. BELL: Could have a restaurant if we could give up the space.

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H.M.JR: They are figuring on a cafeteria. Well, that is the only thing. I had to have something to kick about. But the place was clean and beautifully run.

As I say, it is the most workmanlike shop I have been in. Believe me, without wanting to rub it in, if one of your men - If Mr. Adams would take a trip out to Chicago and see the way that thing is run, I think it would be worth his carfare.

MR. GAMBLE: There is a little difference in the type of work they do, Mr. Secretary. There are so many hours of work cut out there - that is automatic.

H.M.JR: But everybody is working.

MR. GAMBLE: Well, I am sure of that. I think everybody is working in Adams' shop, and always has been.

H.M.JR: I don't want to reopen it.

Now, Herbert?

MR. GASTON: We prepared a letter for you to Mr. Bowles offering the services of Mr. Cawley, who is a very good man. We would like to give him a second man along with Mr. Cawley so he won't be lonesome.

H.M.JR: Do I sign that?

MR. GASTON: Yes, it is for you to sign.

H.M.JR: Would you get it to Mrs. Klotz by two?

MR. GASTON: I think Mrs. Klotz has it. I told them to send it in yesterday.

MRS. KLOTZ: The girls possibly have it.

MR. GASTON: In connection with that, they are running five schools for the Treasury investigators in different parts of the country, starting them very soon now, and

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OPA is taking advantage of our invitation to send men. They are sending from twenty-five to thirty to each one of those schools.

H.M.JR: Good. What else, Herbert?

MR. GASTON: I think that is all.

H.M.JR: Are you on the up-grade?

MR. GASTON: Yes, very much.

H.M.JR: Still half a day?

MR. GASTON: Yes, about that.

H.M.JR: Keep it that way.

MR. GASTON: I haven't done very much on the question of those speeches at the Monetary Conference. I made a very rough draft of something for the President. It is very rough indeed. I have also been working on Bernstein's draft of a speech for you, doing some editing and changing.

H.M.JR: Well, I thought your suggestion about having Orson Welles handle that, Herbert, was very good.

MR. GASTON: Yes, that is excellent. How about the Hermit? Can we work him in? (Laughter)

H.M.JR: Ted's eyes went down. That was wonderful. Oh, I think we could find a spot for him.

MR. GAMBLE: I have got a spot for him! (Laughter)

MR. D.W. BELL: Hot or cold? I could make a suggestion I think would help, that Herbert go down to Atlantic City and confer with Harry and Bernstein on this speech for a couple of days.

MRS. KLOTZ: It is not such a bad idea.

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H.M.JR: I think this - yes, how would you like that?

MR. GASTON: Well, I don't know what I could find to eat down in Atlantic City, that is the only thing--

MRS. KLOTZ: They could have a meeting on the beach.

H.M.JR: I think this, if I could find some time between now and Thursday to have a look at this thing, I think that may be the best way. I won't have a chance today. I will have time Thursday, probably.

MR. GASTON: Yes. Is Fred doing anything on this stuff?

H.M.JR: No, he hasn't yet, but he will be available Thursday and Friday.

MRS. KLOTZ: I have a couple of messages I got from Harry White this morning.

H.M.JR: Let's let them wait.

MR. GASTON: Will either of those fellows be back before Thursday - Bernstein or Harry White?

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

MR. D.W. BELL: Won't be back at all.

MRS. KLOTZ: No, on the contrary, they asked - well, he said he would like it very much if Fred Smith could come up next week for a few days. He thinks he ought to get the flavor of this thing. Then he said that he really is in a desperate situation. He has got all he can do, physically, to carry the technical end of it, and that the British are arriving on the 24th - that is next Saturday - and he would like very much to have Charlie Bell come up on the 23rd. He said there isn't anyone to handle this thing and everything goes haywire.

MR. C.S. BELL: Well, the difficulty, Mr. Secretary, is the British are skirting the State Department and

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handling their angle on their own. They were up there Sunday - I talked with them Sunday. The whole thing is apt to get into a state of confusion because they can't go all the way through and they don't coordinate their angles with White's group.

H.M.JR: White's group don't coordinate?

MR. C.S. BELL: No, the British. They have been to Bretton Woods, by the way. They were up there Saturday trying to pick out their own rooms in that hotel. They didn't get any place. They just treated them nicely and put them on their way. But they will have about thirty-five people in Bretton Woods, and they are running up here about twenty people.

The house is just crowded to its full capacity now, and the problem is to move out some of our own people and put the British in. I think that is what we will have to do.

H.M.JR: Is there any reason why you can't go up Saturday or Sunday and help Harry?

MR. C.S. BELL: If I don't go, I can see that it is done and handled all right. This grabbing for conference rooms - the hotel makes no money on conference rooms--

MRS. KLOTZ: He said Charlie was most helpful last week.

H.M.JR: Why don't you go up?

MR. C.S. BELL: All right, sir.

MRS. KLOTZ: Then he said that Eccles was to let him know yesterday about Knoke - Williams, particularly. Knoke, he didn't think, would come up. He asked if I would call up Eccles - this was just before I came in, so I haven't had a chance - and find out what is what. He hasn't heard.

H.M.JR: Do you want to do it, or want Charlie to?

MRS. KLOTZ: I would rather have Charlie do it.

H.M.JR: You have got all you can do to take care of me.

MR. C.S. BELL: All right.

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H.M.JR: No, I wrote it down somewhere and can't find it, that I spoke to Crowley from the country Saturday night, and I told Crowley that we had told Eccles, "No alternates"--to which he agreed. He said he would get there when he could. He understood it. Then I told him that we would not want to have the British sell any of their lend-lease.

He said, "I am completely in your corner. I have had this fight with Congress. I know how they feel, and when I get back Tuesday morning in Washington, it will be the first thing I take up. No lend-lease goods can be sold."

I said, "Well, your own people don't agree."

He says, "I'll look into it the minute I get back. Thank you for calling me."

Anything else.

MRS. KLOTZ: That is all.

H.M.JR: All right. I'll talk to White myself, between two and three.

MR. GASTON: It would be very helpful if we could find out whether the President wants to go up there, or whether he wants to send a message--whether he wants to stay out of it.

H.M.JR: I can't do it this morning. Sometime, Bell, when you come in this afternoon and explain to me what the President has done on the Dutch currency, I want to call up Grace Tully, and then I'll ask her about what the President wants to do about going down to Bretton Woods.

MR. D. W. BELL: All right. Have you a time for that?

H.M.JR: No, but I have it very much in mind.

MR. D. W. BELL: I turned the letter back to Mrs. Klotz.

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H.M.JR: I have that very much in mind. I think Charlie better go up there.

Was it very hard? I should think you would have been glad to be out of Washington.

MR. C. S. BELL: They are delighted with the set-up.

H.M.JR: I mean you.

MR. C. S. BELL: Yes, sir, I had a good time Sunday. We had a meeting on the beach. I forced Harry out there and loaned him my own trunks. He still has them.

H.M.JR: What you call lend-lease?

MR. SULLIVAN: Picture of Harry in Charlie's trunks!

MRS. KLOTZ: He sounded desperate today.

H.M.JR: Well, he should go on one of these trips that I have been on.

Is that all on that?

MRS. KLOTZ: Yes. Are you going on to another subject?

H.M.JR: Yes.

MRS. KLOTZ: This is from Mendes-France. (Hands sealed envelope to the Secretary)

MR. D. W. BELL: Through the War Department?

MRS. KLOTZ: I don't know how that comes--Oh, yes, War Department.

MR. D. W. BELL: By military courier.

H.M.JR: What I am doing, Dan and Glasser, is this: The stuff which normally Harry handles himself when he is here--there is a lot of this stuff--I am giving to Mr. Bell to prepare for me. I take it that he, in turn,

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will ask you. But I am here so little that Mr. Bell has to know what is going on. The easiest way for me to be sure that he knows is to ask him to prepare it. I take it that he will in turn ask you. But I don't know how else to run my shop with Bell as Acting Secretary seventy-five percent of the time for the next four or five weeks.

Well, he (Mendes-France) is crawling out of the statement that he agreed to this military currency, and questioning the President's statement; but I'll take this up with you this afternoon.

MRS. KLOTZ: To go back to that other thing, you wanted to talk to the group about the release on the delegates.

H.M.JR: Yes, I spoke to Miss Tully yesterday. You see, the President had that part of my speech which had to do with unconditional surrender. He cleared the whole thing without changing a word. At that time I asked Miss Tully whether she wouldn't send word down here to release the publicity on the delegates and the letter from the President to me. Has anybody heard of it?

MR. D. W. BELL: I haven't heard a thing.

H.M.JR: Charlie, supposing you call up over there and tell them of my conversation, and then when Mr. Bell sees me this afternoon, will you let him know what that situation is?

MR. SCHAEFFER: Yes, sir, I have a release already cut. All we have to fill in is the release time. We can get out this thing in five minutes.

H.M.JR: Well, she was going to notify him. She is pretty good about those things. You might find out and let Mr. Bell know. I'll have a string of things to tell her about.

MR. SHAEFFER: Yes, sir.

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MR. C. S. BELL: Is this on the delegates to the Conference? I have the most current list, which came down from Atlantic City last night. Kelchner seems to think that the list should go from Treasury through the Secretary of State to the President.

H.M.JR: Well, Miss Tully doesn't agree on that. Miss Tully has the list and is keeping it up-to-date. She has it, and I asked her before the White House released it would she have them check with Mr. Dan Bell. She said she would. When I started to question her, she said, "I have the list right here. I am keeping a book on it. I added Crowley. Now you are asking me to add Senator Tobey. I have the thing complete."

I said, "Do you mind checking with Dan Bell before the White House release?"

MR. C. S. BELL: I'll give Danny a copy of this thing of last night.

H.M.JR: She says, "I have it; I am keeping it."

MRS. KLOTZ: Did they tell you about Sam Rosenman?

H.M.JR: Oh, yes. Well, you know the answer on that?

MRS. KLOTZ: Yes, he is not well enough.

H.M.JR: I spoke to Miss Tully, and she said the President said that Sam wasn't well enough and they didn't want him to go--his inner ear. He has had three attacks or something. So I asked, would she mind telling Sam that the President thought he wasn't well enough, rather than my telling that to him. She said they would.

MR. D. W. BELL: He wanted to go.

H.M.JR: Very much.

MRS. KLOTZ: Is that the truth, do you think?

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H.M.JR: Yes, in part.

MRS. KLOTZ: Because if he didn't ask, I could believe it.

H.M.JR: I think he just wanted to go up there for a rest, and the President doesn't want him to.

MRS. KLOTZ: Well, THAT, I believe!

H.M.JR: But I'd much rather have Miss Tully tell it to Sam. He might not believe me.

And I told Oscar Cox, for God's sake to stop calling me up about Sam Rosenman. I said, "Lay off me on Sam Rosenman. He can talk for himself." This is all very much in the room. I got tired having Cox call me up.

MR. SULLIVAN. Rosenman looks swell.

H.M.JR: How long have you been in town, Mr. Sullivan?

MR. SULLIVAN: All right!

H.M.JR: The President of the United States says Sam is sick and he can't go.

MR. SULLIVAN: Get him a doctor.

H.M.JR: I told them to let Miss Tully tell him that. Was I smart?

MR. SULLIVAN: I should think so. She will.

H.M.JR: She will.

MRS. KLOTZ: I would check.

H.M.JR: Now, how far have we gotten. Mr. Gamble?

MR. GAMBLE: This New York material--this speech--the details. Do you want to take it up later?

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H.M.JR: Would you mind holding this evening for me?

MR. GAMBLE: That is fine, yes, sir.

H.M.JR: If I could do it some time this evening, that would be about twenty-four hours faster than I have ever done it before.

MR. GAMBLE: That is all I have.

I might mention to you that Mr. Olrich went to considerable trouble to get that jeep for us, and you might want to thank him tomorrow morning. He has asked us to please not ask him for any more. They only had sixty-nine, and had to take apart about ten of them to make this one, because they all are put together with parts no longer being manufactured, and I don't think they ever intended to sell these sixty-nine, except for junk. He did put one together so it would run.

H.M.JR: Well, it made a big hit in Texas.

MR. GAMBLE: He was very cooperative.

H.M.JR: Have you people got time for a silly story? This jeep may be responsible for the Congressman's getting the Roosevelt delegation.

This is a very silly story--a true one. This man came from Wayne County, Pennsylvania. He wanted to be appointed as Consul General to Munich in Taft's time. This is one of my father's stories. He kept writing, saying, "Do you know, Mr. President, we carried Wayne County, Pennsylvania, which meant we carried Pennsylvania. And as Pennsylvania goes, so goes the country, and the fact that I carried that and you carried Pennsylvania, I am responsible for your being elected President of the United States. My wife isn't very well, and there are certain cures that she can get in Munich, and my daughter wants to study music. I'd like to be appointed as Consul General."

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Well, time went on and he again wrote Mr. Taft and didn't hear. About a year went by. Mr. Taft got this letter: "Since writing you a year ago about being appointed Consul General to Munich, my poor wife has died and gone to heaven, and you can go to hell!"

So that jeep may be responsible for the Texas delegation going for Roosevelt, if he runs for Presidency.

Now, are we all right? You will hold the evening for me for my world-wide broadcast?

MR. GAMBLE: Yes, sir.

H.M.JR: I don't know what Orson is doing tonight!

MR. GAMBLE: I won't check on that.

H.M.JR: You don't want the Old Timer to go on tomorrow?

MR. GAMBLE: No, my table of speakers is limited to one!

MR. SULLIVAN: This reply should include most of the material on this review, I think, and a specific comment. (Refers to Mr. Haas' memorandum)

H.M.JR: I think it pays to do it right. Anything else?

MR. SULLIVAN: No, sir.

H.M.JR: How is your Mrs.?

MR. SULLIVAN: She is fine. She was told yesterday morning to go back to the hotel for a week, so I got the one o'clock train. So she went back to the hotel and then went to the hospital about ten o'clock last night, and had a little girl at five minutes of two this morning.

H.M.JR: For heaven's sake! Congratulations. No cigars? And she is well? What hospital?

MR. SULLIVAN: Richardson Lying-in.

H.M.JR: Have you talked to the child?

MR. SULLIVAN: Not yet.

H.M.JR: Why didn't somebody tell me?

MR. SULLIVAN: It's funny. I have been going up there week ends for a month and hanging around waiting. Just as soon as I get out of town--shows you what personal consideration will do.

H.M.JR: What is the child going to be called?

MR. SULLIVAN: Haven't heard yet!

MR. D.W. BELL: That's good. Anything else?

MR. SULLIVAN: No, sir.

H.M.JR: If you want to go up any time soon, just suit yourself.

MR. SULLIVAN: I may have to go up Friday. Her mother is there and she has to leave Friday.

H.M.JR: If you talk to Priscilla, will you give her my very best, please?

MR. SULLIVAN: Yes, sir, thank you.

MR. O'CONNELL: There is an amendment to the OPA Bill. The OPA Bill is in conference now and may come out today. An amendment to it last week intending to restrict the right of OPA, somewhat, to stop a company operating in the black-market from doing business--the effect of it will tend, to a certain extent, to embarrass our Alcohol Tax Unit operations, because the amendment goes much further than they had intended to go and provides in effect that we may not suspend a license of a distiller or a wholesaler for violation of OPA regulations. We didn't learn about it until a little late. I have talked to the General Counsel and other people in OPA, and the point I have just made has been made to the conferees and there is a reasonably good chance they will restrict the amendment and language to what they intended to take care of. But I talked to John about it this morning and I haven't been able to see that there was much we could do other than to hope that the representation made to the conferees by OPA will be effective. The conferees are not particularly friendly

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to us and they are in such a dog fight over some more important amendments to the OPA legislation, that I am a little afraid to attempt to interest any of the conferees in this very technical amendment which would not be productive at this late date. They were hoping to get the Bill out of conference yesterday and John thought I had better let you know.

H.M.JR: Who is contacting OPA?

MR. O'CONNELL: I talked with the General Counsel of OPA.

H.M.JR: As long as you have the contact, will you tell them I was in Chicago yesterday? I understand indignation meetings are being held all over Wisconsin and Illinois by the farmers. They are really mad. My figures may not be exact, but let's say that the weight you are supposed to sell a hog at is two hundred and seventy pounds and you get, let's say, eleven dollars a hundred--I don't know--thirteen dollars a hundred. You sent in forty hogs and they average one pound over or two pounds over, they dock you two dollars a hundred. But the packer gets the increased spread in that two dollars a hundred. The Government doesn't benefit by it. In other words, the final pork-chop costs just as much and that extra two-dollars-a-hundred-spread goes to the packer. And this man who kept saying, and he is a very sincere fellow, "I believe in price control" and all that--but here is a thing--one pound, two pounds over. There is no percentage of margin. The people can't figure it down to the last thing and he said they are actually all over Wisconsin holding indignation meetings, and they will all through the Middle West. I think there should be some rule of reason on this sort of thing and particularly if they are going to dock the farmer. My God, I mean the Roosevelt Administration is going to hand that extra two dollars a hundred to the packer? The President would go through the ceiling.

MR. O'CONNELL: Of course, the fight may be with War Food Administration as much as OPA.

H.M.JR: Do you want to handle it or let John?

MR. O'CONNELL: Either one of us.

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MR. SULLIVAN: We will go into it together.

MR. O'CONNELL: There is a perfectly good purpose in that sort of regulations. Admittedly, a pound or two may be ridiculous, but they are trying to force them to market their hogs without putting too much corn into them.

H.M.JR: I understand, but how are you going to tell? They were talking about forty hogs, how are you going to load them into a truck and there should be a margin, a leeway. You can't figure it down to four pounds per pig. It all ends up by blaming--and if they are going to do it and the farmer knows it and his wife goes around and buys the pork-chops, forty or fifty cents, the price at all the stores stays the same and the difference that they dock him goes to the packer. Now, if the housewife got the benefit, if everybody all along the line got the benefit--

MR. O'CONNELL: I know it isn't intended to benefit --

H.M.JR: I know, but it's pretty hard to explain to the fellow who has forty hogs and that is his whole investment and you dock him two dollars a hundred, and he sees it has gone to the packer, whom he considers his enemy-- Have a look at it and let me know, will you?

MR. O'CONNELL: Yes.

H.M.JR: He said they are really mad about it. Anything else?

MR. O'CONNELL: No.

MR. GLASSER: I would like to raise the question of the exchange rate for Germany, if you want to do it now.

H.M.JR: I don't. Why don't you come in with Mr. Bell? It will all be on exchanges. Everything I am seeing Mr. Bell on has to do with exchange rates.

MR. GLASSER: I have another point you might take up the same way. There is a meeting tomorrow in which FEA is going to recommend that we extend Lend Lease to Italy. We

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might take up that same question this afternoon.

H.M.JR: Are you in on that?

MR. McCONNELL: I don't know about that.

H.M.JR: Would he be in on that?

MR. GLASSER: I don't think so

(Secretary holds telephone conversation with Lauch Currie)

MRS. KLOTZ: You said Olrich tomorrow morning. Are you going to be here?

H.M.JR: Oh, yes.

MRS. KLOTZ: Don't you go up to New York?

MR. GAMBLE: Supposed to be there at twelve.

H.M.JR: If I leave here at ten?

MR. GAMBLE: Even a few minutes after.

MRS. KLOTZ: I just wanted to check.

H.M.JR: Thank you for checking, but I had figured on leaving here around ten or something.

MR. GAMBLE: That's good time.

H.M.JR: From this office to any place, the central part of New York, two hours.

MRS. KLOTZ: You got a letter yesterday about a cocktail party.

MR. GAMBLE: The luncheon is twelve-thirty.

H.M.JR: I will leave this office at ten. Well, you accumulate your stuff sometime during the afternoon. We will get together.

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MR. D.W. BELL: Well, this is not probably disposal of surplus property, but I should think Bob should sit in on it for the background.

H.M.JR: All right.

MR. PEHLE: The only thing I have, there is pending a Senate resolution urging the President to establish free ports. It was filed by Senator Gillette and he is still pushing it. The Senate Foreign Relations Committee, to which it has been referred it considering it. It was referred to Foreign Relations Committee instead of the Immigration Committee. The Foreign Relations Committee has asked Joe DuBois and somebody from Justice to come down tomorrow for a meeting.

Paul Baerwald has asked you to write a letter to Bloomingdale's about Hirschmann.

H.M.JR: I said I would do that.

MR. PEHLE: He also asked for a letter to Mrs. Hirschmann, which I wouldn't recommend you send.

MRS. KLOTZ: It's the craziest thing I have ever heard of.

MR. PEHLE: I think there is domestic difficulty there. Both Mrs. Hirschmann and Hirschmann's brother have asked me to send through the pouch personal letters to Hirschmann without examination of censorship. I refused to do it unless I at least read them myself. But I think there is some trouble on the home front.

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MRS. KLOTZ: Then I think you ought to write the letter to her.

MR. PEHLE: There is no letter to Mrs. Hirschmann there. I don't think you ought to write a letter to Mrs. Hirschmann. But the letter to Bloomingdale's seems to me perfectly all right.

There is a letter to Baerwald there.

16) (Secretary signs reply to Baerwald's letter of June

H.M.JR: After all, I can't look after your personnel. Haven't you a personnel director?

MR. PEHLE: We are looking into that problem. Now we sent to State Department yesterday--I carried over to Stettinius--a cable to Ambassador Murphy in reply to the cable he sent us. There may have been stronger cables sent to Ambassadors, but I don't know of any. Stettinius took it very well. Said he would check into it carefully. I think the cable will go out.

H.M.JR: When it goes, will you let me see it?

Anything else?

MR. PEHLE: Yes, sir. That is all.

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MR. C.S. BELL: I have nothing, sir.

H.M.JR: How are things up in your Department?

MR. C.S. BELL: Very well. The Russians have called three times and want to know immediately when your speech tomorrow will be available. Why, I don't know. Do you have anything in there about Russia? You know, I thought there might be some special emphasis on Russia.

H.M.JR: We are waiting for the incidental music. I am holding out for the "Vulgar Boat Song". Ted wants "Dark Eyes".

MR. GAMBLE: They have been listening to our program and they think we use Russians on them.

H.M.JR: We can't decide whether underneath my voice is going to be "Dark Eyes" or the "Vulgar Boat Song".

MR. C.S. BELL: I hope it isn't "Black and Blue Eyes".

H.M.JR: Did you hear the last one about Tully and the President and me? She again said the President wants to know about the blondes and brunettes at Texarkana. I gave him an answer which I wouldn't repeat here. She said, "Well the trouble is, he has gotten so that old gray haired like me don't interest him any more." She says, "I don't count". "White head", she said.

MRS. KLOTZ: That's a compliment.

MR. GAMBLE: You will be interested to know that this crowd in New York couldn't get anywhere with the Russian Embassy here. They went direct to Stalin and they are having representation at their luncheon. They have had a lot of attention since they took the matter up.

MR. PEHLE: I asked for military information, Mr. Secretary. I just got a letter from my brother saying, in connection with the fight off Anzio Beach Head, he has been in Garibaldi's tomb for five days!

MR. SULLIVAN: Do you want to go through that "Weapons of War" exhibit?

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H.M.JR: I think so.

MR. SULLIVAN: I think the pictures taken there will be worth while.

H.M.JR: All right.

Mr. McConnell?

MR. McCONNELL: I suppose you notice the Contract Termination Bill has passed the House in substantially the form advocated by the departments and by Baruch and Hancock. Mr. May went down with flags all flying.

MR. D.W. BELL: Only got twenty-one votes, didn't he, for his amendment to put the Comptroller General in charge, in a sense? I think three hundred and eighty-five to twenty-one against the amendment or something like that.

H.M.JR: Anything else?

MR. McCONNELL: No, sir.

MR. TICKTON: I don't have anything.

H.M.JR: Are we on the beam, over the beam or under the beam?

MR. TICKTON: We are running along just a little bit over.

H.M.JR: How about on the E Bonds?

MR. TICKTON: E Bonds are a little over, too. Compared to the last two loans, we looked pretty good, although, of course, there is this lag and the beginning isn't too sensational.

H.M.JR: On the E Bonds we are all right, and on the total?

MR. TICKTON: Yes, sir.

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MR. GAMBLE: We are over about half a billion dollars in all classifications.

H.M.JR: Fine. Anything worrying you?

MR. TICKTON: No, sir. Looks all right.

H.M.JR: What a man! There was this very nice girl there, I don't know who, had something to do with the performance last night. She said, "Mr. Morgenthau, you look as though you need a partner". I said, "No, I look as though I want to sell out".

MRS. KLOTZ: Got too many partners.

H.M.JR: Dan Bell, may I say that at the Federal Reserve luncheon yesterday they were very complimentary about you and Mr. Broughton and Mr. Kilby, that you had a very fine organization. After all, it was not news.

MR. D.W. BELL: You had lunch at the Federal?

H.M.JR: I had lunch at the Federal. I went to your organization, all through the War Bond Office and the rest of the time I just twirled my thumbs waiting for Gamble to get Mr. Welles to give me my part. Believe me, when you go through a stadium of one hundred and twenty-five thousand people and try to find a man, it's quite an experience.

MR. D.W. BELL: Byrd has sent down a report from his Committee on the War Relocation Authority. We had quite a conference and got some of the bugs out of the report. Some of the criticisms. Mr. Schoeneman and Mr. Heffelfinger have read this letter. I haven't had a chance to read it.

(Secretary signs reply to Senator Byrd's letters of June 14 and 15)

MR. PEHLE: We have an interest in that, Mr. Secretary, since they are doing all the work for us. They are being very cooperative.

H.M.JR: I don't think Dan heard you.

MR. PEHLE: I say, the War Refugee Board has an interest in the War Relocation Authority because they are doing

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the whole administration of the camp thing for us and being very helpful.

MR. D.W. BELL: Well, these criticisms are unjustified. The Bureau of the Budget is going to send a really very hot letter on it. We got a lot of the criticisms out, but he still wants to put out the report. This is just outlining what we still think about it.

Last year, you remember, we got authority to designate commercial banks as redemption agencies for savings bonds. I have been working on the regulations for that for some time, and I believe that after the Fifth War Loan Drive is over, we might start that. The Federal Reserve Banks are now reaching their capacity in redemptions. One or two can still increase about fifty percent, but some of them can't increase any more. I am afraid, say, if Germany collapsed, you might have an avalanche of redemptions and we would not be able to meet them. I think, if for no other reason, we should get some experience cooperating through the commercial banks. The question comes up as to whether we should pay the commercial banks for redeeming these bonds. We have all kinds of recommendations; some of the Federal Reserve Banks say that we ought to permit the commercial banks to make a small charge, say twenty-five cents a bond or ten cents for each bond thereafter, and that the owner ought to pay that charge. Others think that the bank shouldn't charge anything, either to the Government or to the owner. I don't believe we will get away with it, without paying the banks something.

H.M.JR: I think we should pay the banks a quarter.

MR. D.W. BELL: I am inclined to think we ought to pay per item rather than trying to do it through a depository scheme.

H.M.JR: I think we should--I don't know whether we should make the owner of the bond pay it.

MR. D.W. BELL: Two or three recommended they do that, give the owner an option of sending his bond to the Federal Reserve Bank directly and having no charge, or getting his money immediately from a commercial bank and paying twenty-five cents for a bond and ten cents for an additional bond. That is, if he had two bonds he would pay thirty-five cents.

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H.M.JR: I would be for the latter.

MR. D.W. BELL: Would you, really? I thought you would be opposed to that.

MR. TICKTON: The trouble is, I wonder if the option would be a real option? I think most people wouldn't know that they could get it done free, just as they don't know now about safekeeping. I don't like the stories I hear from out in the country about the safekeeping charges.

H.M.JR: Well, but I want a chance to think it through, but I would be in favor of paying the commercial banks.

MR. D.W. BELL: We have had a lot of discussions.

H.M.JR: Why, Mr. Bell, am I not here representing the New York banks and Winthrop Aldrich and private enterprises?

MR. D.W. BELL: Sure. I forgot about that.

MR. GAMBLE: We should never charge the public for redeeming bonds. I don't think it will cost a quarter. I think we could make arrangements for letting the banks cancel the bonds and send it by franked mail. I don't think they will have to be registered, because we have six hundred billion of them and it should be worked out over a period of years.

MR. SULLIVAN: I agree with you, Ted, that you can't charge the bond owner.

H.M.JR: I tell you what we might do and that is, you might let the moving picture people handle it.

MR. D.W. BELL: I have enough trouble with them on the issuing end.

MR. GAMBLE: There has been very little trouble with the theatres issuing. I think they have done a splendid job.

MR. GASTON: I agree with Ted. I don't think we ought to charge.

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H.M.JR: What do you think about letting the theatres do it?

MR. GAMBLE: I think the banks could do it adequately. I think we ought to do it as soon as we can. We get bad publicity from standing in line and these post offices that give very bad service.

H.M.JR: One of the bankers said yesterday that if the people knew they could go in any time and cash a bond at a bank, he thinks half of them wouldn't do it.

MR. GAMBLE: So do I. I think it would help redemptions and--

MR. D.W. BELL: That has been suggested.

H.M.JR: He said up to and including a hundred dollar bond, if a fellow could walk into a bank and get his cash, he says he thinks half of the redemptions would cease.

MR. SULLIVAN: Do you intend to make any announcement as to this before the end of the Drive?

MR. D.W. BELL: No, as of August one.

MR. SULLIVAN: Right after the Drive, and then it wouldn't be news in the next one.

MR. GAMBLE: It should be dealt with on the basis of there being eight or nine million pieces, because you will carry it for years.

H.M.JR: I wouldn't carry it for years. You think my strawberries can carry this, you're mistaken!

MR. D.W. BELL: That would cost us quite a bit of money over a period of years.

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MR. GAMBLE: I think it can be handled very economically. Two bits to cash a bond is all out.

MR. D. W. BELL: The volume is getting too large.

H.M.JR: I think we should explore it further.

MR. D. W. BELL: Lee Wiggins has appointed a committee of ten to come here Thursday and discuss it with me. I will have their viewpoint after Thursday. But I do think we ought to move on it and be ready to announce it in July and go into the operation of it August 1.

H.M.JR: Okay. I'll be seeing you some time, not too late in the afternoon.

Charlie?

MR. C. S. BELL: Senator Byrd has requested us to give him the background of everyone in the Treasury Department who is making three thousand dollars or above. That goes into quite a sizeable job. He is requesting that of the whole Government. It will cost over a half million dollars to do the whole job, when he is all through with it.

H.M.JR: You can tell Senator Byrd for me that the war is on and we haven't time to do any more paper work. Period.

MR. C. S. BELL: This has all been done before. If they would go back and take records of a year ago with the Civil Service--. He wants all the history of individuals making over three thousand, of which we have nine thousand in the Treasury.

H.M.JR: Call him up on the phone and say I think it is cock-eyed.

MR. C. S. BELL: Jerry Kluttz carried it this morning.

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H.M.JR: Tell him it is cock-eyed, and I think he is subject to criticism.

MR. D. W. BELL: I think it is time to take a stand on some of these things.

MR. C. S. BELL: If they were to come down here first and give us an opportunity before they go on record with all of the Departments asking for this information--. Each one of these reports measures up to the same thing. I don't think a whole lot is done with them after they get them.

H.M.JR: I think it is cock-eyed, and I want to say so publicly. What do you have a Civil Service Commission for?

MR. C. S. BELL: They have been over this same field before.

H.M.JR: I know.

MR. C. S. BELL: I wondered if you wanted a list of the assistants to the delegates? Have you been furnished with that?

H.M.JR: I have not.

MR. C. S. BELL: That is the most current list from Bernstein last night. (Hands list to Secretary)

H.M.JR: Thank you very much.

What else?

MR. C. S. BELL: I think that about covers me.

H.M.JR: All right. I'll be here Thursday and Friday. If there are a couple of little things, you tell them after I get through with Danny Bell I'll see you.

MR. GAMBLE: Did you see the New York papers' handling of your press conference yesterday?

H.M.JR: No. Was it all right?

MR. GAMBLE: A feature story on the front page--

H.M.JR: I had something come up this morning, so I couldn't read the newspapers.

MR. GAMBLE: You ought to look at the Times.

H.M.JR: I went overboard on the taxes.

MR. SHAEFFER: They had your sandwich story in Times.

H.M.JR: Did they?

MR. GAMBLE: They carried the full interview in Times.

H.M.JR: How about taxes?

MR. GAMBLE: It is excellent. It is on the front page of the New York Times.

H.M.JR: I came out for capital. I don't know whether they wrote that.

MR. GAMBLE: They apparently carried the whole interview in a very pleasant tone.

MR. SULLIVAN: Low taxes and higher revenue!

MR. GAMBLE: No, they gave your side-stepping of the climbing taxes. They treated it very well.

H.M.JR: Well, this fellow in the Chicago Tribune asked me that question. I said, "Now, that is the first question I am going to pass the buck on; but, listen, don't you go out of here and say, 'Morgenthau passed the buck on that'"! He laughed. I read it in the financial column of the Tribune, and he didn't say that. He simply said at that time I suddenly got very busy!

Outside of the rest of them, did they feel I did them any good out there?

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MR. GAMBLE: Yes, they were very much pleased. I had a wire this morning from Chicago.

H.M.JR: I want to say one word seriously, if I may, please.

I want to bring back this thing. This country--I just don't know what is going to happen. I would like you to find out from Nelson's office what is happening to production in munitions factories. They just take the attitude that the war is over; we have won it. And it is the hardest thing to get people's minds on winning the war. I would like to have some figures today, if I could, before I go home tonight. I mean, what is happening? Try Nelson and Mr. Patterson's office.

MR. TICKTON: All right.

H.M.JR: What is happening on the key things--big guns, heavy artillery, 155's? Are they getting them or not getting them--and the other stuff. But it isn't just the Middle West.

MR. GAMBLE: It is the whole country. The way they are reporting the war--for example, they talked about the annihilation of the 177th German Division, but neglected to say the probable cost to us was thousands of American lives.

MR. PEHLE: Churchill's speech added a great deal to that. People around town are very, very optimistic. Stettinius told me yesterday he thought the war was right at the point where it might break; certainly by Fall the Germans will give in. That is the talk, just in the last few days.

MRS. KLOTZ: Before Churchill's speech.

MR. PEHLE: Yes, but his speech added a great deal to that feeling.

H.M.JR: It doesn't help any when you are trying to raise some money.

-38--

MR. TICKTON: Did you see Mr. Nelson's comments on the manpower needed in the press?

H.M.JR: Yes.

MR. TICKTON: Two hundred thousand people urgently needed.

MR. GAMBLE: Have you heard any of these overseas broadcasts on war bonds? They are the best we have ever had. This fellow ended up last night by saying, "If what I have just told you doesn't send you out to buy an extra war bond, I don't know what would." He made a very factual report on lives lost and serious fighting going on. That was a follow-up of the suggestion you made to me to get the networks to do it. They have not only done it here, but have gotten the men overseas to tie it in.

H.M.JR: Fine. That was my suggestion.

You might tell these people that I would like something which I might be able to use--if there is any place that Mr. Patterson's office or Mr. Nelson's office is disappointed and things aren't going as well as they think they should go on account of this over-optimism, would they please give you something by tonight.

MR. TICKTON: Something you could use publicly?

H.M.JR: Yes. Do you know anybody over in Patterson's office?

MR. TICKTON: We have some contacts over there, I think.

H.M.JR: This Colonel what's-his-name.

MR. GAMBLE: Gow, you mean? Peterson, himself, will get it for you--in Patterson's office. He is a civilian.

H.M.JR: He is under Greenbaum?

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MR. O'CONNELL: Yes, a civilian aide to Patterson.

H.M.JR: Now, it is very serious. The war seems to be going very well, but until we have won it, we just can't let up.

June 20, 1944  
11:48 a.m.

HMJr: Hello.

Lauchlin  
Currie: Mr. Secretary.

HMJr: Yes, Lauch.

C: A very important matter is coming up tomorrow at the Liberated Areas Committee -- that's Dean Acheson's committee.

HMJr: Yeah.

C: On a proposal to -- on the financing of reconstruction in Italy.

HMJr: Yeah. Lend-lease.

C: That's right.

HMJr: Yeah.

C: And I'd like very much to have an opportunity to put the problem before you before the Treasury took any position on it.

HMJr: Well ....

C: It's a nasty old problem.

HMJr: Pardon?

C: It's -- it's a difficult problem, and I'd like to give you a little bit of the background.

HMJr: Well, I - I'm -- I can't give you a fixed time. Are you -- but some time this afternoon after I've seen Glasser, I'll get you on the phone.

C: That would be fine.

HMJr: And I will see you before I go to bed tonight.

C: Grand.

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HMJr: How's that?  
C: Thank you so much.  
HMJr: Righto.  
C: Okay.

JUN 20 1944

**My dear Mr. President:**

I have the honor to recommend the appointment of Mr. William H. Burke, Jr., of Northampton, Massachusetts, as Collector of Customs for Customs Collection District No. 4, with headquarters at Boston, Massachusetts, to fill an existing vacancy.

Mr. Burke is the Democratic State Chairman for Massachusetts.

Mr. Burke has been recommended for this appointment by Congressmen McCormack and Curley, and the nomination has the approval of the Democratic National Committee.

I am transmitting herewith a nomination in the event you approve Mr. Burke's appointment.

**Faithfully yours,**

(Signed) H. Morgenthau, Jr.

**The President**

**The White House**

## THE WHITE HOUSE

\_\_\_\_\_, 194\_

To the

## SENATE OF THE UNITED STATES

I nominate **WILLIAM H. BURKE, JR., of Northampton, Massachusetts, to be Collector of Customs for Customs Collection District No. 4, with headquarters at Boston, Massachusetts, to fill an existing vacancy.**

JUN 20 1944

My dear Mr. Baerwald:

As suggested in your letter of June 16, 1944, I have written a letter to the President of Bloomingdale's about Ira Hirschmann. I am enclosing a copy for your information.

Sincerely,

(Signed) H. Morgenthau, Jr.

Mr. Paul Baerwald,  
The American Jewish Joint  
Distribution Committee, Inc.,  
270 Madison Avenue,  
New York 16, New York.

Enclosure

JUN 20 1944

Dear Mr. Schoff:

I am taking this means of expressing to you our appreciation for your cooperation in making it possible for Mr. Ira A. Hirschmann to assist the War Refugee Board in the Near East. The very concrete results of Mr. Hirschmann's efforts to date make us all very hopeful for continued success on an even broader front in the future.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Mr. James S. Schoff, President,  
Bloomingdale Brothers, Inc.,  
Lexington Avenue and 59th Street,  
New York, New York.

WS:JWP:mgt 6/20/44

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270 MADISON AVENUE, NEW YORK 16, N. Y.

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PERSONAL

June 16th, 1944.

Honorable Henry Morgenthau, Jr.,  
Treasury Department,  
Washington 25, D.C.

My dear Mr. Secretary:

I wonder whether you would consider writing a letter of appreciation to Walter N. Rothschild and/or to Bloomingdale's for their cooperative willingness to make it possible for Ira Hirschmann to return to Turkey, and it seems to me that perhaps a letter to Mrs. Ira Hirschmann with reference to the personal sacrifices that she and Mr. Hirschmann are making would be in order.

Hoping you are well,

Sincerely yours,



Paul Baerwald

PB:rl

JUN 20 1944

My dear Mr. Chairman:

Receipt is acknowledged of your letter of June 15, 1944, enclosing a draft copy of the latest revision of a report proposed to be submitted by the Joint Committee on Reduction of Nonessential Federal Expenditures, with respect to the personnel policies of the War Relocation Authority.

In addition to the above draft, which reached the Treasury at 12:30 p.m. on June 15th, there had been received at 8:15 p.m. of the previous day a copy of an earlier revision, with a statement that you desired to release it on the following day, but that it might be necessary to make still further modifications, and that when such changes had been made, a copy of the revised report would be sent to me for consideration. In the meantime, your letter of June 15th has been received, but due to my absence from Washington I have not found it possible to advise you earlier regarding my views.

As I interpret the latest draft of the proposed report, it would place the Committee in the very unfavorable position not only of having criticized unfairly the personnel policy of the War Relocation Authority, but also of having disregarded, at least by implication, the recent findings of the House Committee on Appropriations with respect to the same agency.

As the head of a department in the executive branch of the Government, I would be reluctant to approve any report of this nature, which attempts to pass judgment on an agency's practices without having previously accorded the agency's officials full opportunity to appear before the Committee for such explanatory statements as they might desire to submit. Until the War Relocation Authority has been given such an opportunity, adoption of

- 2 -

the report as now drafted would constitute, in my opinion, a flagrant violation of the policy generally followed by the Appropriations Committees of both the Senate and the House, and usually observed by other committees of the Congress. As a matter of fact, in the case of the War Relocation Authority, the House Committee on Appropriations, only a few weeks ago, in considering the National War Agencies Appropriation Bill for 1945, questioned the Director at length regarding his agency's policy in recruiting personnel and their subsequent advancement to higher classification grades. After hearing the Director's testimony, the Committee, in reporting the National War Agencies Appropriation Bill, commented on the Authority's recruitment problems, but voiced no disapproval of its personnel practices.

The hearings of the House Committee also include a statement from the Director of W.R.A., to the effect that all positions in the Authority have been established under the terms of the Classification Act, and that all positions are filled through Civil Service channels. The further statement is made that all promotions are made in accordance with Civil Service standards and subject to Civil Service approval. If these are the facts, - and they can be determined by questioning the Authority's witnesses, - then there would be no justification for the Committee's assumption that individuals were employed without full regard to their qualifications. In addition, no effort has apparently been made by the Committee to determine whether the particular employees referred to are adequately performing their assigned tasks.

In view of the foregoing, there would appear to be no basis for concluding that the War Relocation Authority has enjoyed liberal exemptions, as compared with other Federal agencies, from the laws and regulations governing the employment or promotion of personnel. An analysis of its appropriations for the fiscal years 1943 and 1944 discloses that the War Relocation Authority was, as a matter of fact, granted no appreciable waivers of the Civil Service and Classification laws. While funds totaling \$118,000,000 were appropriated to W.R.A. for the fiscal years 1943 and 1944, only \$220,000 of that amount could

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have been obligated by them during the two-year period for personal services without regard to such laws. In other words, the total amount that could have been used without reference to the Civil Service and Classification laws constituted less than one-fifth of 1 per cent of the total appropriated. Moreover, on the basis of the appropriation bill now pending, the War Relocation Authority, beginning July 1st, next, will no longer be granted an exemption from these laws.

The proposed report includes a statement to the effect that it would be impossible to hold hearings in order to give each agency an opportunity to justify its personnel policy. I do not concur in this conclusion, but I feel, on the other hand, that the only fair and reasonable method of appraising the integrity of an agency's operations would be through the medium of a hearing such as that suggested earlier in this communication.

It is my understanding that you plan to call a meeting of the Committee within the next few days for the purpose of discussing the proposed report. If it is decided to submit the report in its present form, I request that this letter be formally appended, as an indication of my dissent.

Very truly yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

Honorable Harry F. Byrd,  
Chairman, Joint Committee on Reduction  
of Nonessential Federal Expenditures,  
Congress of the United States,  
Washington, D. C.

CRS/WTH/jm (6/19/44)

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# Congress of the United States

JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

CREATED PURSUANT TO SEC. 911 OF THE REVENUE ACT OF 1941

June 14, 1944 r

Honorable Henry Morgenthau, Jr.  
 The Secretary of the Treasury

My dear Mr. Secretary:

I am enclosing a copy of the Committee's report on the War Relocation Authority. I wish to call to your attention that revisions have been made in accordance with the recommendations made by your representative during the informal conference held in connection with this report early last week.

It may be necessary to make further modifications of the report and when they are made I will forward them to you immediately.

I feel that it is necessary to present this report tomorrow as the Senate intends to discuss the appropriation for this agency as well as many others.

With kindest regards.

Cordially yours,



HARRY FLEMING BYRD, SENATOR FROM VIRGINIA, CHAIRMAN  
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 JOSEPH L. SMITH, CLERK

# Congress of the United States

JOINT COMMITTEE ON REDUCTION OF NONRESIDENTIAL FEDERAL EXPENDITURES

CREATED PURSUANT TO SEC. 911 OF THE REVENUE ACT OF 1941

June 15, 1944 r

12:30 PM

Honorable Henry Morgenthau, Jr.  
 The Secretary of the Treasury

My dear Mr. Secretary:

In accordance with my letter of yesterday, I  
 am forwarding the latest revised copy of the War  
 Relocation Authority report.

With kind regards.

Cordially yours,

*Henry F. Brown*

June 20, 1944  
2:42 p.m.

Ernest  
Olrich: Mr. Secretary.

HMJr: How are you?

O: Fine, thank you, sir.

HMJr: Sorry to have missed you this morning. I don't know whether you got the message. I had Staff and I wanted you over here, but they said you were on the Hill.

O: They were -- the Joint Committee of the Senate and the House were meeting on the Clayton legislation and I represented you.

HMJr: Good.

O: And I just gave them a short statement that we were a disposal agency operating under administrative order, that if the Administrator were to continue us, that we can operate efficiently under this bill. I'll read you my statement so that you can have it: "Treasury Department Procurement Division is now functioning as a disposal agency under Executive Order. We have been so designated by the administrator under this proposed act. The Procurement Division of the Treasury Department believes it can function effectively and satisfactory under its framework. We approve the bill in general. The Treasury Department participated in discussions leading to the formulation of this proposed legislation." That's all I said, and that was enough.

HMJr: Sounds like a plenty. Now ....

O: Yes, sir.

HMJr: .... the purpose of my call was: I am going to sit down with you tomorrow morning, and with Sullivan and O'Connell ....

O: Yes, sir.

HMJr: .... and talk about this O.P.A.- Munsingwear situation.

- 2 -

O: Yes, sir.

HMJr: And will you keep on your Munsingwear until you see me at nine o'clock tomorrow morning?

O: Yes, sir. (Laughs) I will. Thank you, sir.

HMJr: Okay.

O: I will.

HMJr: All right.

O: All right.

HMJr: Thank you.

O: All right. Good-bye.

cc: Mr. Smith  
Mr. Gamble

*Marked "Strictly Confidential"*

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June 20, 1944  
3:00 p.m.

HMJr: Hello.

Alfred  
Steele: This is Al Steele.

HMJr: Hello, Al.

S: I had a very nice talk with that man ....

HMJr: Yes.

S: .... and he was very much elated about the show. He - I brought the subject up naturally, and - and then let him talk on it. And the thing that was interesting to me was that he immediately started selling back to me the concept of the show ....

HMJr: Yeah.

S: .... and he thought that -- I told him that there might be some problems of people trying to sell us off that, and he said, "Jesus, by all means, if you can keep that from being done, don't let them do it".

HMJr: I see.

S: And he made quite a speech about some of the interests involved in a negotiated peace, and that anything we could do to stop that, we were certainly doing, probably, the greatest job for the war.

HMJr: Well, that makes me very happy.

S: And, then he got over on the personal side of it. There were two aspects to that. One is that he said that you certainly did credit to our time, and as he -- he was quite cute about it, he said, "The Secretary's getting to be better than the President".

HMJr: (Laughs) Well, that's some compliment!

S: So, I - I got - I was quite pleased about it. As a matter of fact, he -- after we got through talking, I, then, rode down town with him and he got back on the subject again, and said that

- 2 -

S: (cont'd) he was very happy that we had the opportunity to do the thing and that anything further -- that we could depend on his coming through for us any time we needed him.

HMJr: Well, that's wonderful.

S: So, I felt that -- I mean, he - he was very relaxed about it and very much interested, which is a very good sign, because he believes in what we were saying. Of course, the best sign is that he was selling our own philosophy back to us.

HMJr: Well, that's fine, because, after all, he did pay for it, and you like -- I like to feel that he felt it was -- his money was well spent.

S: That's right. He was very pleased.

HMJr: Well, I'm delighted.

S: And I'm going ahead with that check on the bottlers. I'll have something -- I'm going -- where are you going to be Sunday?

HMJr: Home. Country -- Beacon 211.

S: All right. I'll call you there. I'll have that stuff in here. You see, I -- it will all be coming in until after our show on Sunday, and when I get it all, if I may, I'll call you up there.

HMJr: I wish you would.

S: All right. Fine.

HMJr: Again, many thanks for arranging it.

S: Sure.

HMJr: Thank you.

S: You bet. Good-bye.

June 20, 1944  
3:50 p.m.

ADMINISTRATION OF LEND LEASE TO ITALY

Present: Mr. D.W. Bell  
Mr. McConnell  
Mr. Glasser  
Mr. Currie  
Mr. C.S. Bell

H.M.JR: You are making Vinson Vice Chairman?

MR. BELL: You said that.

H.M.JR: No.

MR. BELL: Oh, I thought you said you wanted him to take charge in your absence.

H.M.JR: Yes, I did.

MR. D.W. BELL: That would make him Vice Chairman, wouldn't it, or Acting Chairman - I don't know which you put it.

H.M.JR: Does he have to have a title?

MR. BELL: I should think that you might like to have the delegates know that he is second in charge - when you are absent, he takes over.

MR. GLASSER: In other words, there will be some discussion.

H.M.JR: Otherwise it would be Acheson?

MR. BELL: Yes. Another thing, somebody probably ought to look that over and see how they-- (Hands the Secretary list of delegates)

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H.M.JR: Oh, let the "hite House do that.

MR. BELL: In the order in which they should come?

H.M.JR: Yes.

MR. BELL: The one I looked at had Spence first and Wagner way down at the bottom and Tobey came before Wagner. I think that might cause a little talk. Then there is a list of Assistants and Advisers.

MR. GLASSER: They usually put it alphabetically, if they have delegates all of the same status.

H.M. JR: Who made up this list?

MR. BELL: I don't know. Charlie Bell just handed it to me. It is something I guess White gave him last night before he left Atlantic City. I don't know.

H.M.JR: Is this going to be given out, too?

MR. BELL: I wouldn't think that was necessary. The President, I understand, only has the first list.

H.M.JR: Is this going to be given out?

MR. BELL: I think only the President has the first list.

H.M.JR: If you give out all these technical advisers, and all that stuff - I wouldn't give this out now.

MR. BELL: I assumed it was not going to be given out. If you are going to let it come from the White House, I would assume that just the first list of delegates--

H.M.JR: That is right, that is all.

MR. BELL: I would check with Shaeffer because I understood he had a mimeographed list all ready and I ought to be sure he is just giving out the delegates.

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H.M.JR: Shall I check?

MR. BELL: I will if you want me to.

H.M.JR: I will.

MR. BELL: O.K.

H.M.JR: Williams is unconfirmed. That shouldn't be given out.

(The Secretary speaks to Mr. Shaeffer over the phone)

MR. BELL: Did he have that?

H.M.JR: No.

MR. BELL: Good.

MR. GLASSER: In the first place, about the Dutch arrangements--

H.M.JR: You had better do this thing - Lauch Currie is coming in at four o'clock - we had better do him first. What is he going to do?

MR. GLASSER: Now, the FEA is recommending to the Liberated Areas Committee, on which Harry White is represented, that the President announce that Lend Lease is available for Italy. The problem is to provide some means of paying for the supplies that are going to Italy.

At the present time the Army is paying out of its own appropriation, and therefore is being very niggardly with what it gives to Italy. On October 1 they plan to turn over all of the liberated area, or the part that is under the King's jurisdiction, to the civilian agencies, and then it will be FEA's responsibility to pay.

(The Secretary speaks to Mr. Gaston over the telephone)

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H.M.JR: Go ahead.

MR. BELL: October 1 the Army is giving up the civilian control over in Italy and the FEA is going to take it over.

MR. GLASSER: And they need some funds to pay. They could do it under Lend Lease. Now, if they don't do it under Lend Lease, then they will probably need legislation, or will try to work out something with the Export Import Bank.

H.M.JR: When does this new organization take it over?

MR. GLASSER: October 1.

H.M.JR: And what are they going to take over?

MR. GLASSER: The King's Italy.

H.M.JR: What is this organization?

MR. GLASSER: FEA - Crowley.

H.M.JR: On October 1?

MR. GLASSER: Yes.

MR. BELL: In other words, the military control, the civilian population, gets out from under. Instead - well, maybe before October 1.

MR. GLASSER: If they receive the Lend Lease support they will probably begin right away to give Italy civilian supplies under the arrangements they will make under Lend Lease. All this involves is for the President to sign a letter - a rather simple letter - which says that Italy is necessary for the defense of the United States.

"I hereby find the defense of those portions of the Italian mainland now or hereafter liberated from the

- 5 -

control of the enemy, to be vital to the defense of the United States" - and Italy becomes eligible for Lend Lease.

H.M.JR: What is the argument against it?

MR. GLASSER: The argument against it is, I think, that Italy is an enemy country; that before we give any Lend Lease to Italy we ought to get the approval of Congress. Those people who object to this--

H.M.JR: Why do they put it up to me at all?

MR. GLASSER: Because we are members of the Committee - of this Liberated Areas Committee.

H.M.JR: Who put me on that?

MR. GLASSER: Acheson. Acheson is Chairman.

MR. BELL: Harry White represents the Treasury on that Committee.

Harold, you are just saying that is the argument that the opposition will use, but that is not your recommendation?

MR. GLASSER: No, my recommendation is that we would either agree, or certainly would not object.

(Mr. C.S. Bell enters the conference and hands the Secretary list of delegates.)

H.M.JR: The White House is asking for this!

MR. C.S. BELL: Yes, sir. We will get it right over.

H.M.JR: This list that you made up here - who decides who should go on? (Refers to list including Technical Advisers)

MR. C.S. BELL: That is made up by Bernstein and White, largely, and recommendations made here and there to them. They have changed it daily, almost, for the last two weeks.

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H.M.JR: Which names did you put on here?

MR. C.S. BELL: I made only one suggestion. They wanted Silverman from the War Department and this is his boss. They couldn't get Silverman. It was the only name I put on there. That is the only suggestion I made.. They put the name on.

H.M.JR: Bell and I talked this over. I don't want this to go out, and I haven't approved this.

MR. C.S. BELL: That is why I thought you possibly should see it. They keep coming out every day with a new one.

H.M.JR: I don't want to have all these people jealous. I don't want the list given out publicly.

MR. C.S. BELL: I think they have sent that to the State Department from Atlantic City.

H.M.JR: Well, you had better call up White and make sure. I don't want this list given out and I haven't yet approved it.

MR. C.S. BELL: All right, sir.

H.M.JR: I have told this to Shaeffer.

MR. C.S. BELL: I think maybe I had better get the one back from Kelchner because I find they sent him one last night.

H.M.JR: Get it back. They bother me about the most unimportant things and then they get something like this which is important and I don't even get a chance to turn around. They call me up about the God dammedest things - excuse me. Get your list back from Kelchner.

MR. C.S. BELL: All right, sir.

(Mr. C.S. Bell leaves the conference)

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MR. BELL: I see no reason why we shouldn't go along with this Lend Lease to Italy.

H.M.JR: Well, if they don't do it that way, how will they do it?

MR. BELL: The Army will have to keep on as a military control and, as Harold says, niggardly give out supplies to the population and use their appropriation.

There is a question raised, I think, in the form of payment. Even that, I don't think, we can seriously object to. They can take lira in payment, or take any other obligation that the Administrator determines and that the President determines. I see no other course except to take lira whenever we can get it. It sort of goes around in a circle, because they get the lira from us.

MR. GLASSER: I think that point we can study a little further if we decide that we will go along.

H.M.JR: Has the President decided that Crowley's organization should do this?

MR. GLASSER: This is a recommendation that will go to the President.

MR. BELL: He signs that letter and it is turned over to the FEA.

H.M.JR: Why don't they give it to Lehman?

MR. GLASSER: Lehman is unable to do it because the present resolutions that organized UNRRA prevent him from spending any of its funds in ex-enemy areas. And they need a change in their rules of organization.

H.M.JR: Do either of you people consider this important as far as I am concerned?

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MR. GLASSER: It is important if you want to help. If we don't want to help we can just say we have no objections.

H.M.JR: Why should we have?

MR. GLASSER: It will, I think, further the U.S. policy in Italy. If there is anything that will bring us back some of the prestige we lost in Italy, this will do it. It is the best way of doing it to regain the prestige. We will have to do it, anyway.

(Mr. Currie enters the conference)

H.M.JR: Hello, Lauch. Don't fight too hard because these fellows are on your side.

MR. CURRIE: Good. The conference is over! I saw Dean this morning - before we hold this meeting tomorrow afternoon - so we could have some idea of the line-up.

The thing was sprung on him rather cold over in the War Department the other day and he expressed himself as being opposed to extending Lend Lease to Italy at this time. He was under the impression that UNRRA could do the job, but in talking it over this morning I said we would welcome all the help we could get from UNRRA, that we would be delighted to have them carry all the relief load they could, but all our people felt that they just didn't have the means to really do the job in Italy and all the other countries, too.

MR. BELL: Aren't they prohibited from doing it now?

MR. CURRIE: He said they thought they could get clearance from the Advisory Committee to go into Italy and spend up to two hundred million dollars, which would be seventeen percent of the fund they have allotted for Europe, but--

(Mr. McConnell enters the conference)

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H.M.JR: Bell told me that Lehman couldn't do it at all.

MR. BELL: That is what it says in this memorandum.

MR. CURRIE: It would require a change by the Council of UNRRA.

MR. BELL: I would be inclined, then, to let them spend up to their two hundred million dollars, because, after all, those are joint funds. I thought that maybe the decision was made by UNRRA in order that the United States Government would do this through Lend Lease methods and they would be out from under. If they are willing to spend two hundred million, I am willing to let them spend it.

MR. CURRIE: I don't know - they will have to get clearance from all the other interested nations, including Russia and China, and with the small amount available, I doubt whether they will go along with allotting two hundred million.

H.M.JR: I tell you what I would like to do, in order to save everybody's time - why don't McConnell and Glasser ask to see Lehman today? I will call him up. You could let me know tonight at my home. My first impression was that UNRRA should do the thing, and then these people say they can't do it legally.

MR. CURRIE: I was going on from there. I think they can make certain changes that will permit them to do some of the relief job. Our main concern, Mr. Secretary, is on the reconstruction and rehabilitation job, and we have canvassed our financial resources pretty carefully and about the only really feasible prospect now is using Lend Lease in two ways; on a three (c) proposition, that is where we make a long-term loan to Italy. We keep that pretty clean, treat it as a commercial loan, extend no more than we think Italy will be able to pay in the future for the heavy type of reconstruction goods - utilities, factories, raw materials, possibly; and then for the

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intermediate class of essential civilian supplies - not straight relief, and yet not strictly speaking in the reconstruction category - we put that on a cash reimbursable Lend Lease basis. The only catch is the cash would be lira, and what we would eventually get out of it would depend on the final settlement.

But we presume this, if the President went along, the idea was to go to the appropriate committees on the Hill and explain the circumstances and conditions and get some cover for it - sort of proceeding in that way.

H.M.JR: I would like to get Governor Lehman's viewpoint on this thing.

MR. CURRIE: Even if UNRRA did come in, it would only handle the straight relief, which is a very small part of the job. Where we feel the Army has fallen down is on the reconstruction job. They haven't been interested in rehabilitation or reconstruction.

MR. BELL: Lauch, why should we go in for reconstruction when the war is on in all its fury and we need our supplies here for munitions?

MR. CURRIE: I think it is to our interest, Danny, to get that economy self-sufficing and operating again as soon as possible, otherwise we will have to carry those people indefinitely.

MR. BELL: Granted, it is to our interest, but it is also to our interest to build tanks and guns.

MR. CURRIE: Not to the extent of interfering with our war effort, that is understood.

MR. BELL: Steel is allocated to that, pretty largely, isn't it? If you are going to take our steel over there and reconstruct Italy, I am not so sure.

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H.M.JR: I don't like to go into this thing on a half-baked basis. I would like to know more about the thing. The Army is only going to withdraw on the first of October. I don't see why between now and tomorrow afternoon I have to make up my mind. It was only put up to me today. I don't know how important my vote is.

MR. CURRIE: It is crucial, Mr. Secretary. The line-up now will be War and Navy opposed.

H.M.JR: To what?

MR. CURRIE: To the extension of Lend Lease to Italy. FEA and the State Department are in favor. So you have the deciding vote on this.

MR. BELL: I think War wanted to get out.

MR. GLASSER: Why is it War and Navy's business?

MR. CURRIE: War is opposed to extension of Lend Lease to Italy, and they want us to continue to route supplies through War, and they, in turn, will give what supplies may be necessary. They don't think the defense of Italy is for the defense of the United States. I think they are in a rather ridiculous position because the only way they can spend Lend Lease funds is because they think it is a vital military necessity.

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

June 20, 1944  
4:11 p.m.

HMJr: Hello.

Operator: Mr. Lehman.

HMJr: Hello.

Herbert  
Lehman: Hello.

HMJr: Herbert.

L: Hello, Henry. How are you?

HMJr: I'm all right, thank you.

L: How is everything going?

HMJr: Pretty well, thank you.

L: Good.

HMJr: And you?

L: They're going along all right.

HMJr: Herbert, I've got a little group here that is trying to get me to make up my mind how I want to vote tomorrow on the Committee of who's going to take care of the Italians after the first of October.

L: Yes.

HMJr: Now, I - I'd like to know where you stand on this thing?

L: I don't quite get the question, Henry.

HMJr: Well, the - the Committee (aside: what is it, tomorrow? Who calls it?) -- Liberated Areas Committee, tomorrow morning.

L: What - what is that -- of what?

HMJr: Committee is going to pass on who's going to take care of the Italians -- civilian population -- what they call the King's Italy -- after the first of October when the army withdraws.

L: You mean, for general relief?

HMJr: Everything.

L: Well, I can't tell you that, Henry. We have said that we would be very glad to take care of the refugees that are being brought in from -- from Yugoslavia at the rate of about eighteen hundred or two thousand a week.

HMJr: No, this is the Italian pop -- the whole Italian population.

L: Well, I can't tell you that, Henry, because under the provisions of the resolutions passed at Atlantic City, of which we were signatories, we are not permitted to undertake relief work in any enemy or ex-enemy country, except at the expense of the country (a) and (b) under such terms and conditions as are set forth -- as are set down and agreed upon by the council, itself. Now the Council has not acted on that. They might have been able to act if we had had our conference, or would have been able to act, if we had had our conference as scheduled, starting day after tomorrow. But we had to give that up, so that we're not going to meet, probably, for about two months. In the meantime, I can't -- certainly have no authority of my own to -- to negative that -- those -- that resolution and tell you that UNRRA is going to take care of it. There are two things that have to be satisfied. One is: whether Italy is going to be able to pay for these supplies (a) and (b) whether the -- whether the Council, UNRRA, is going to be ready to change that resolution which now is in force, and which prevents our doing work in an enemy or ex-enemy country.

HMJr: Well, Herbert ....

L: Yes.

HMJr: .... haven't they notified you about this meeting?

L: They have not.

HMJr: They haven't?

L: No.

HMJr: Well, I - I ....

L: I don't know a thing about it.

HMJr: Well, look ....

L: I don't even know who's chairman of the Committee.

HMJr: Well, let me (aside: who's chairman of the Committee?) -- Acheson. Well ....

L: Well, he knows the situation very well.

HMJr: Well, look, wouldn't -- I think it would be distinctly worth your while to see Glasser this afternoon.

L: Well, I -- there's no use in my seeing Glasser at all, Henry. I mean -- Acheson is the member of the Committee -- member of the Council representing the United States ....

HMJr: Yeah, but I ....

L: .... and he knows what the situation is just as well as I. We discussed it all at a meeting the other day of the central committee, and we -- I went out of my way in recommending that we take over the responsibility for these refugees, under certain conditions, however, which I set forth, req -- which the Army would have to meet, because we're in no position to - to take care of a camp of forty thousand people and supply it -- furnish it with supplies, when we have no supply line.

HMJr: No, this -- that's something quite different.

L: Yeah. I - I understand that.

HMJr: No, this is something -- and I didn't want to -- you see, the Treasury's vote is going to be the deciding vote.

L: Well, what is the -- well, what is -- what is the question? I mean ....

HMJr: Well, I - I -- Herbert ....

L: .... the deciding vote.

HMJr: .... I can't do it on the phone, and ....

L: No.

HMJr: .... it's a very complicated thing.

L: Well, I'd be glad to see Glasser.

HMJr: And I - I chose that I didn't want to vote on something which seemed to me to vitally concern UNRRA without ....

L: No.

HMJr: .... getting your side of the story.

L: Yes. Well, now, Henry, let me ask you: is this question now -- is it a concrete question ...

HMJr: Yes, it's very concrete.

L: .... as to whether A, B, or C does ....

HMJr: It's going to be a question of your doing part of it, the relief end of the civilian population in King's Italy, or Crowley's organization doing the whole of it.

L: Uh - huh. Uh - huh.

HMJr: Now ....

L: Well -- well, I'll be glad to see Glasser.

HMJr: Well, I thought it would be in your interest to see Glasser ....

L: Yes.

HMJr: .... and McConnell, who are looking after these things for me.

L: All right.

HMJr: And ....

L: I'll be glad to do that. Now, could he be over here -- just one moment, please, I just want to see the time -- could he be over here at about quarter past five?

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HMJr: Let me ask them. They're both here.  
They'd be glad to be over there at quarter  
past five.

L: All right. Thank you very much.

HMJr: Thank you, Herbert.

L: Thank you. Good-bye.

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H.M.JR: I can't understand. He doesn't know anything about it.

MR. CURRIE: You see, that is proper. He belongs to an international agency and Acheson is our Member on the Council and he speaks on that. He should have checked, though, with Lehman.

H.M.JR: Who should have?

MR. CURRIE: Dean.

H.M.JR: Well, it seems just common decency. Lehman's attitude was as though he was going to do me a favor. I didn't want to give my opinion. I wish you would explain that to him, will you please, that here I am trying to decide a question and it looked to me as though possibly somebody was infringing on his territory and I thought--

MR. CURRIE: No.

H.M.JR: Well, anyway - and he gets so excited, you see, and he doesn't seem to know his facts. He kept talking to me about these refugees out of Yugoslavia. Now, what have they got to do with it?

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

June 20, 1944  
4:18 p.m.

Operator: Go ahead.

HMJr: Hello, Dean.

Dean  
Acheson: Henry.

HMJr: Yes.

A: I have here a list which -- of the people,  
both of the Delegation and for the American --  
I mean the delegates and the whole American  
Delegation ....

HMJr: Yeah.

A: .... which was gotten up by Harry, and which  
has now been revised over the telephone ....

HMJr: Yes.

A: .... some changes that he gave to Pete Collado,  
and I assume that you -- you must have the same  
thing too.

HMJr: Well, now, I have a list of twelve delegates.

A: Yes, I have -- I have twelve delegates and  
then two pages of other people.

HMJr: Well, the other people -- I - I just asked to  
have that sent back to me, because I don't  
want that given out publicly -- the list of  
the technical advisors and the legal advisors  
and assistants, and so forth and so on.

A: Yeah.

HMJr: I think it's a mistake. I think it's far too  
big. I think that the Congress are going to  
question it, and then the Chicago bank is  
going to say, "Look, you've given the Atlanta  
bank and the New York bank an advisor and the  
Federal Reserve of Chicago, why don't you give  
us one?" -- and it'll do nothing but get me  
into trouble.

A: I - I should think that was a very wise observa-  
tion.

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HMJr: I mean, the people on it are all right as far as I'm concerned, but I - I very much would not like to have it given out publicly.

A: Yes.

HMJr: See?

A: Yes

HMJr: And then Congress might say, "Good heavens, what are you taking thirty-five people up there for?".

A: Well, that -- my own guess is that we've got a great many too many people for any purpose.

HMJr: Pardon?

A: I think they've got too many people ....

HMJr: Yes.

A: .... for any purpose.

HMJr: So, I'm - I'm very much opposed to the group on the second page ever seeing the light of day.

A: Of course, they will see the light of day when - when the lists are made up at the conference.

HMJr: Well, that's something else again.

A: Yes.

HMJr: And -- and some of these people may not come. I see some of them have got asteriks after their names. And - and I think it's time enough after the people get up there, then it's too late, anyway, for these other people to call up and say they want to go on it. I'm just inundated with telephone calls ....

A: Yes, I know.

HMJr: .... of people who want to go on.

A: That's always true.

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HMJr: Now, if after the first of July, they're up there and they've all gotten their rooms and they've been tucked into their little beds by the State Department, it's time enough to say, "Who's been tucked into bed?".

A: Yes.

HMJr: What do you think?

A: Well, I - I think that's right.

HMJr: What?

A: Yes, that's right. I agree with that.

HMJr: Now, as to the other twelve, I think you've been consulted about all of those.

A: Yes.

HMJr: Is that right?

A: Yes, that's right.

HMJr: Yeah.

A: Now, what -- what we always do in these cases is to prepare a list of the whole works, with the -- with the delegates and all of these other people and send it over to the President for the President's approval.

HMJr: Right.

A: He likes to go over these things himself, as you know.

HMJr: Yeah.

A: Then, if he approves those, we could get up for release at the White House, a release on the delegates.

HMJr: Just on the delegates?

A: Yes. Just on the delegates.

HMJr: Right.

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A: Now, if - if this meets with your approval, I will have Kelchner get up the whole list, putting the correct titles of everybody in.

HMJr: Right.

A: Because this list of Harry's has all sorts of titles which aren't correct, and some people are "Honorable" and some aren't, who would be mad because they all -- some of them ought to be who aren't, and the title of Mr. Edward E. Brown is wrong.

HMJr: Right.

A: He's got him down as "President of the Federal Advisory Council". Well, that isn't the right title to it or anything. Now, I will get up a letter to the President from the Secretary and yourself, if you like, or from the Secretary saying that this has been done at your -- your request and on your authorization ....

HMJr: Right.

A: .... and asking the President whether he will approve these people.

HMJr: Right.

A: I think we ought to get that done quickly and get the announcement of the delegates out.

HMJr: Well, word came down -- my press man called up Miss Tully today and she said the President would like to do this Friday, himself.

A: He would like to put out the announcement Friday?

HMJr: Friday.

A: Well, then he ought to get the list over there tomorrow or ....

HMJr: Right. Right.

A: But -- if -- you'd better have someone take a look at it. I think I've got it straight.

HMJr: I have it in my hand now. There's myself, there's Vinson, there's yourself, there's Eccles, Crowley,

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HMJr: (cont'd) Wagner, Spence, Tobey, Wolcott, Brown, Miss Newcomer and White.

A: That's right. But, I mean, all the other people. I don't know whether ....

HMJr: Oh, the other people, I want to talk to Harry about. I haven't had time to go over that other list. Hello?

A: Yes.

HMJr: I have not had time.

A: Uh - huh.

HMJr: And I -- I'd very much like to keep that other list fluid. It seems much, much too big to me.

A: Well, I think it's much too big, and I agree very heartily with you on that ....

HMJr: Yes.

A: .... but I think the President's got to have this other list.

HMJr: Oh, well, not by Friday.

A: Well, what -- whatever you say, but he ought to have it awfully soon, because these people will be wanting to make their plans to go up and ....

HMJr: Well, I'll -- I'll -- look, I'll try and clear it by Thursday.

A: Ah -- fine.

HMJr: How's that?

A: Fine. Well, now, suppose I get up two letters.

HMJr: Yes, supposing you get ....

A: One on the delegates and one on the -- on the ....

HMJr: Because if we send over the two, they're very apt, over at the White House, to give out the second group.

A: Yes.

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HMJr: What?

A: All right.

HMJr: Why couldn't we do it this way: give him the group for Friday's press conference and then send him over another list Saturday morning.

A: Fine. All right.

HMJr: How would that be?

A: That's -- that's first rate.

HMJr: Is that all right?

A: Yeah.

HMJr: Right.

A: Now, I - I was told that you had designated Mr. Vinson to be the Vice-Chairman of the Delegation, or something of that sort. Should we put him down as that on the list to go ....

HMJr: Well, I raised that. I -- the only thing that I've said is that -- oh, I think you were present ....

A: Uh - huh.

HMJr: .... that, while I was away, if he would take over. I don't know whether there has to be a - a designated person. I - this is the way the list came to me.

A: Yeah.

HMJr: I don't know whether there has to be a recognized alternate, or whatever you want to call it, to myself or not.

A: Well, if you are not going to be there -- if you are going away ....

HMJr: Yes.

A: .... it is very necessary that it be made clear to everyone that somebody is in charge of the Delegation in your absence.

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HMJr: Well, I -- do you want ....

A: And that you want the President's authority on that -- that is fine.

HMJr: Well, there will be a considerable time when I will not be there.

A: Yes. Well, then I -- I think you should designate someone as the Vice Chairman of the Delegation, and if you have the President's authorization on that, it makes it, you know, that much more intimidating to people.

HMJr: Pardon?

A: I say, if - if you and the President both designate the fellow, then these Congressmen and everybody will accept him much more readily.

HMJr: Well, if - if there's to be somebody in charge while I'm away, I'd like it to be Vinson.

A: Ah -- all right. Fine. I'll put him down that way ....

HMJr: Right.

A: .... and then there won't be any trouble about Congressmen saying, "Well, why didn't Henry Morgenthau designate me?" at the last minute, or something like that.

HMJr: Well, if it's going to be somebody, I'd like it to be Vinson.

A: Yeah. All right, sir. I'll - I'll get that over to you.

HMJr: Thank you very much. Hello?

A: Yes, sir.

HMJr: Look, we're just sitting here discussing this question of who's going to take over after the Army after the first of October. Now, it's just been sprung on me and I may not be able to give you an answer by tomorrow. Now, could I have another day or two? I hear the Army isn't going to take over until October first.

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- A: Yes. Well, what we were doing was to -- having a meeting of this regular committee tomorrow to see if we could formulate some idea.
- HMJr: Yeah.
- A: If - if your fellows would like to ask to have it go over a little longer or -- why don't they do that at the meeting? I think that would be all right.
- HMJr: Well, I think they will, and - and the fault is mine, because I just haven't had time to assimilate it.
- A: I - I - what I think might possibly be done on this, Henry, is that so far as straight relief is concerned, that is the consumable goods for the population themselves ....
- HMJr: Yeah.
- A: .... food, clothing, medical supplies -- the F.E.A. people can finance the Army for a while and keep them going, and then we might get UNRRA to take that off.
- HMJr: Yeah.
- A: Now, so far as the capital goods, which UNRRA cannot do, and which the Army will not do, I don't see any alternative except to get that done through some sort of a lira-reimbursable lend-lease, or through the Export-Import Bank or something of that sort.
- HMJr: Yeah.
- A: But that's the problem as I see it.
- HMJr: Well, quite frankly, I haven't had a chance to assimilate it, and Bell and Glasser and McConnell are all looking into it for me.
- A: Yes.
- HMJr: As well as myself.
- A: Yes.

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HMJr: So, they may have to ask tomorrow to have the thing -- if it's up to us to vote or to ....

A: Well, why don't they come over and get the points of view expressed ....

HMJr: Fine.

A: .... and then if they want to say that you want a little further time on it, why, all right.

HMJr: Right. Well, thank you very much.

A: All right, Henry.

HMJr: Thank you.

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H.M.JR: Did you get this business? He wants to send it over to the President on Friday.

I said, "Better not send the longer list over at the same time. The President may get mixed up and give it out" (referring to list of Technical Advisers).

Who goes to those meetings?

MR. GLASSER: I will go.

H.M.JR: I will ask Mr. McConnell to go with you. I think you had better go on over. But please explain to Herbert Lehman, will you, that my attitude was - right or wrong - that I felt we were moving too fast without consulting him, and I wanted to be sure, as far as I was concerned, that he has his day in court. I thought I was doing him a favor.

MR. CURRIE: There is no quarrel of jurisdiction between us and UNRRA.

H.M.JR: But he doesn't know a damned thing about it.

MR. CURRIE: We don't want to do the relief job. If UNRRA will do it, God bless them.

H.M.JR: But here Lehman hasn't even heard about it.

MR. CURRIE: He has been rather anxious, I think, to get into Italy. I think he will probably want to do something.

H.M.JR: But that isn't the way we started; we started on the premise they couldn't do it legally.

MR. BELL: Under their present resolutions.

MR. CURRIE: That is right.

MR. BELL: I think another thing ought to be made quite clear in this memorandum before it goes to the

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President, that what you contemplate is reconstruction of Italy and not providing supplies and services to the Italian people, because I got the wrong impression when I read it, and came in with the idea we ought to favor it. I have some question, now.

MR. GLASSER: There are a lot of questions we ought to go over.

H.M.JR: Could we do it when I am here on Thursday and the four of us meet again? I would like Lauch Currie present. May I just say this--

MR. BELL: We will take up the Dutch thing, then.

H.M.JR: No, I would like to do that now.

What I would like to say is this. From what Glasser has told me, and other people, I am very much disturbed the way things are going in Italy. It looks to me as though they are headed straight for Bolshevism, and we go through all this process and liberate the country, lose an enormous number of American soldiers, and when we are through we may have a much more chaotic condition than when we went in there. And Glasser says by sending in twenty thousand tons a month or more food at the cost of two million dollars, we can lick this inflation and give these fellows a full belly.

The way it is now, on the ideological basis and every other basis, they would look to Russia. If we are going to go through the process and free these countries from Fascism and then end up with Bolshevism, I am not at all happy about it, and I think the whole trouble is that we have been niggardly on the question of what we are giving these people to eat.

MR. CURRIE: It is not just a question of eating, Mr. Secretary, but it is a question of getting their economic machine going again. Harold will tell you of a whole factory that could be producing fertilizer but hasn't a dynamo. And the Army will not do that.

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H.M.JR: I have spent a whole evening with Harold. I feel there is a job to be done. I go so far on these things - you know how I feel - I am quite extreme on these things.

At present we have spent ninety percent, roughly, of the money. But every time we have got to move, we have to consult these English people with the result that it takes months and months and months. I would much rather be on record publicly that in order to keep these people decent, so to speak, or whatever you want to call it, that the U.S. Government will go in and do a job of reconstruction, and then we will send a bill to the other countries. We will have just as good a chance of collecting that as we did the other war debt, but at least we can go through the motions.

But then we don't have to stop every minute with the Combined Chiefs of Staff, the General commanding in the area, the chief of this, and chief of that - and England and all the rest. By the time you get through you have people dying on the streets. I would much rather stand up publicly and say, "In order to keep Bolshevism from spreading through Europe, I, the Secretary of the Treasury, am willing to recommend that we take on the whole job, that we will bill each country what we think their share is, and have a final settlement around the peace table." But at least we can move. That is why we have been so successful in the Pacific. We move under a single United Navy command.

If we are going to do it - did I sound at all curt to Lehman?

MR. GLASSER: No.

H.M.JR: When he gives me all of this stuff - if he had had the Conference, and the rest of this machinery - by the time we are doing this thing the first of October will be here and nobody will have anything to eat, anyway.

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I talked to Henry Grady before he left about this and Glasser tells me I have had something to do with getting more than two hundred grams of bread because I am shocked. But I want you to know where I stand. I want action. I want to give these people a chance to be decent people. That is what we went in there for.

MR. CURRIE: I think Harold and I both feel you will not get proper action from the Army. We are sending a good man now to succeed Grady. We are going to give him the status of a Minister. He will have charge of all the economic section of the ACC. And on the non-military items, I think we can establish direct contact and begin to do some of this job of beginning to get started.

H.M.JR: I would be very glad to be consulted again when I have a little more time next Thursday.

MR. CURRIE: Fine.

June 20, 1944  
4:40 p.m.

TROOP PAY-NETHERLANDS

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

H.M.JR: Now, what is it?

MR. D.W. BELL: This is German currency.

H.M.JR: No, let's not do that. I can only do the Dutch.

MR. GLASSER: The exchange rate can wait until Thursday or Friday.

H.M.JR: What is the situation so I can call up Miss Tully on this thing?

MR. BELL: Well, what you got was a letter from Mr. Hull which enclosed a memorandum, photostat copy of a memorandum, which he had sent to the President on June 10, which, as I recall was two days after you and Pehle had seen the President. You saw the President on the eighth, which was Thursday.

H.M.JR: Did you check that?

MR. BELL: No, but you saw him on the eighth.

(Mr. Fitzgerald confirms date to Secretary)

You took up this question and the President said it was all right for it to go the way you had recommended. Well, as I recall, that evening before you left you saw Dean Acheson and told him what the President said. Dean was very disappointed and you told him that the only thing to do was for him to go back to the President. If the State Department didn't like the decision, the only thing to do was to take it up with the President. On June 10, Hull did send a memorandum

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to the President and on June 16--

H.M.JR: Memorandum on what?

MR. BELL: On this question--I don't have it here. I gave it to Mrs. Klotz.

H.M.JR: The letter from Hull. Why didn't you ask me for it?

(Hands Mr. Bell letter from Secretary Hull of June 10)

MR. BELL: With regard to the subject of troop pay in friendly countries, you recall that this Department reopened the question in receipt of further complaints from Belgium and the Netherlands--that is, where we said that we didn't want to pay those governments currently the dollars that would be equivalent to the local currency furnished by them to us to pay our troops, but we would leave it for settlement after the war was over?

H.M.JR: They have already gone ahead and done this thing.

MR. BELL: Now, the President has okayed it. See it up in the right-hand corner? So Mr. Hull said, under date of June 16, although you can't make out the date from that note, and he writes us this letter dated the 16th, the same day, in which he says, "I am enclosing a copy of this approved memorandum and I have notified the respective governments of this decision".

H.M.JR: Well why don't we just let this--do you want to talk for five minutes about Germany?

MR. BELL: No, we had better do that Thursday, I think. It is going to take a little longer. I think this is in accordance with your suggestion. The only thing that I regret about this whole undertaking is that they have gone ahead

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and advised the governments.

(Secretary holds telephone conversation with  
Miss Tully, as follows:)

June 20, 1944  
4:40 p.m.

HMJr: Hello.

Miss Grace  
Tully: Hello.

HMJr: Good afternoon.

T: Good afternoon, Mr. Secretary. How are you  
today?

HMJr: Fine.

T: That's good.

HMJr: Look, Grace, have you got a pencil?

T: Yeah, I can get one in just a second.

HMJr: All right. Get a sharp one.

T: Right. Just a minute. Yes.

HMJr: Some time last February I saw the President  
about how we were going to pay our troops if  
and when we went into Holland, Belgium, and  
Norway.

T: Yeah.

HMJr: And, he agreed, in writing, that we would get  
the currency from these countries ....

T: Yes.

HMJr: .... and give it to Eisenhower, and then at a  
later date we'd settle for it.

T: Yes.

HMJr: Ah -- I saw the President on June 8th ....

T: Yeah.

HMJr: .... and reminded him of this and said that  
the State Department was protesting against  
it.

T: Uh - huh.

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HMJr: And explained that I was doing it because it would give him distinct bargaining advantages at the Peace Table, and he rubbed his hands and said, "That's wonderful. I'd like to bargain with the Queen of the Netherlands and get the best of her".

T: Uh - huh.

HMJr: And he said, "After these years, Henry, you're getting a little Scotch".

T: (Laughs) Uh - huh.

HMJr: And he said, "I like it", see?

T: Uh - huh.

HMJr: Well, on June 10th, Hull sends the President a memorandum, and without asking me again, although he had twice told me that he approved of our position, according -- on the 16th of June the President okayed Hull's memorandum -- doing just the opposite from what the President had told us twice he would do.

T: Yeah.

HMJr: Now, then Hull, without waiting, has gone ahead and notified these governments that we're going to pay them for this money.

T: Yes.

HMJr: Now the point is -- you can't do what you did on the Jesse Jones thing -- put in a "kill" order, you see?

T: Yes.

HMJr: But I do think that the President, on these financial things, if he's going to hold me responsible, and I'm fighting the State Department all the time on these things ....

T: That's right.

HMJr: .... after consulting the President -- finding out where he stands ....

T: Yeah.

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HMJr: .... that before he says, "Okay, F.D.R.", he ought to talk to me.

T: Yeah.

HMJr: I think that's a reasonable request.

T: Of course, I really, between you and me, I think that Secretary Hull should talk it out with you first, and then you ought to come to an agreement and then send it over.

HMJr: Ah -- I think that you ....

T: Because it makes the -- the President so much trouble one way -- you know, if he has to do all the coordinating and all the collecting and everything, I think that the -- the departments that are involved should get together first and all agree, and then send it to him as an agreement from everybody. Then he's clear on it.

HMJr: I can't argue with you.

T: (Laughs) Huh ....

HMJr: I can't -- I can't argue with you.

T: No.

HMJr: But, if the President would do that, I mean, I take it he looks to the Treasury to advise him on these things.

T: Yes, but you know, so often this stuff comes in and it -- from one member of the Cabinet or another, you know, and it just says, "For your approval" and so forth, and without -- I mean, everything -- everything if he has to stop and think, "Now, let me see, how many of the departments would be interested in that" and send out a memorandum and wait for it to come back, and of course, he doesn't do it, he just says "Okay, F.D.R." if he approves. But it ought to be cleared, of course, with every department that's interested before it comes in to him.

HMJr: Granted. But if you would do this for me.

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T: Yes, sir.

HMJr: Tell the President -- remind him of what's happened ....

T: Yes.

HMJr: .... and I'll -- and simply say that it's water over the dam. He can't -- Hull's quickly sent notices out to these governments ....

T: Yes.

HMJr: .... and I'm sure he knew I protested about it ....

T: Uh - huh.

HMJr: .... so I can't -- it's too late, but on these financial things, if he's going to hold me responsible and somebody sends him something, he can do to them what he does to me. Right then a little note, and say "I want a joint memorandum".

T: Yes. Yes.

HMJr: That's a reasonable request, isn't it?

T: Uh - huh.

HMJr: And then I won't have to be bothering you on a nice afternoon.

T: (Laughs) No, it's no bother to me at all, except so many times these things come up and I suggested that maybe Sam might take over any memoranda like that, and get everybody concerned agreed on it, or find out what the complaint is on it and then when it's all together, give it to the President and say this one doesn't like it; the other one wants it. But at least the President will know both sides before there's any "okay" given to it.

HMJr: Yeah, and then - and then if Sam would do that, that would be fine, but one other person has to be in on it, and that's Admiral Leahy, because every once in awhile if something financial comes up from Churchill to the President ....

- 5 -

T: No, well, of course, that we don't know about, because that's Map Room and code, and they talk it over in the mornings and nobody ever sees that except ....

HMJr: Well ....

T: .... when there's an answer which I might occasionally have.

HMJr: Well, Leahy's very good. He watches those.

T: He does check with you?

HMJr: Yes, he's very good.

T: Yeah.

HMJr: And -- he's almost as good as you are.

T: (Laughs)

HMJr: So, well, anyway, if - if you would mention this to the President and ....

T: Yeah.

HMJr: .... and if - if somebody like Sam would do these things, it would save him a lot of time ....

T: Yes.

HMJr: .... and everybody else. And, in this case, here I am looking after the taxpayers' interest and so forth and so forth, and trying to save a little money, and strengthen the President's hand, and he agreed -- and he loved it.

T: Yes.

HMJr: And I'm, again, confident that he doesn't know what he said "okay" to.

T: Yes, and that was on the 16th, huh?

HMJr: Yep.

T: Well, we'll pick it up and I'll show him that, together with a little memo from you about it, and again maybe I could -- I haven't suggested that idea of mine of somebody putting together

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T: (cont'd) the departments that are interested before it comes to him.

HMJr: I - I see.

T: And then you don't have everybody -- you know, you don't have a couple of unhappy people afterwards, and one happy one ....

HMJr: Well, in ....

T: .... or vice-versa.

HMJr: Well, in the long run, it's the President who is going to be unhappy over this one.

T: Yeah.

HMJr: Because he - he loved it when I explained to him it was going to give him an advantage to bargain with the Queen of the Netherlands.

T: (Laughs)

HMJr: He thought ....

T: Well, I don't know what's happened since, but I will pick up the memorandum he okayed and just bring it to his attention, together with your note, huh? I'll write a little note ....

HMJr: Thank you.

T: .... about our conversation.

HMJr: Right. You'll be in tomorrow?

T: Ah -- don't think until the next day. I called -- are you in your office, by the way?

HMJr: Yes.

T: I called -- I talked to FitzGerald a little ....

HMJr: Yeah, I know.

T: .... while ago about that Burke appointment.

HMJr: Yeah, it is over there.

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T: Is it over there? Oh, I see. (Laughs)

HMJr: Yeah.

T: It's did it, is it?

HMJr: I don't have to be told more than three times.

T: (Laughs)

HMJr: Yeah, it is over there.

T: All right. Fine, Mr. Secretary. That's grand.

HMJr: And it's no McIntosh either.

T: It isn't a McIntosh? (Laughs)

HMJr: Yeah.

T: You don't agree it's going to be one of your best?

HMJr: I'll agree with this: that the Magruder appointment was worked out all right.

T: Uh - huh.

HMJr: That worked out all right.

T: Yeah.

HMJr: I hope this is as good.

T: Yeah. All right. We hope so.

HMJr: Thank you.

T: Good-bye, Mr. Secretary.

HMJr: Good-bye.

T: Good-bye.

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(Mrs. Klotz enters conference)

H.M.JR: You two should know what's going on here so White can know. (Hands Mr. Bell memorandum from Secretary Hull, dated June 16, concerning troop pay in the Netherlands)

What's-his-name called me up and had a long conversation, Acheson, and the gist of the conversation, did I really want Vinson as Vice-Chairman?

MRS. KLOTZ: It's a nice time to raise it.

MR. BELL: All the time that has been put in on this troop pay thing, you and Mr. Hull and Mr. Stettinius could have gone to the President and wasted thirty minutes of his time, gotten a decision that both of you would have understood.

H.M.JR: Now what answer do I make to Hull?

MR. GLASSER: I have a draft of a letter, really.

H.M.JR: Well, keep the two together until Thursday.

MR. BELL: Because this involves France, too, you know, when you make a decision here on the Netherlands and Belgium, and you have the French Government.

H.M.JR: Right. And please, again explain to Herbert Lehman that I thought I was doing him a favor and not asking a favor of him.

MR. GLASSER: Right.

H.M.JR: I can't help it. He gets mad at me because Dean Acheson doesn't tell him what is going on. It isn't my fault. I try to check all around town.

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June 20, 1944.

My dear Admiral Woesche:

Recently I was in Los Angeles in connection with the Fifth War Loan Drive, and enjoyed having Lieutenant Rudy Vallee, of the Coast Guard Band, play both at a luncheon at which I spoke, and at an evening broadcast.

I wanted to let you know how fine I thought his Band -- in fact, I consider it by far the best Band I have heard of all those in the Armed Forces. It was a pleasure to have Lieutenant Vallee and his musicians associated with our War Loan programs on the Coast.

With cordial personal regards,

Sincerely,

(Signed) H. Morgenthau, Jr.

Vice Admiral R. R. Woesche,  
Commandant of the U. S. Coast Guard,  
Washington, D. C.

GRW/dbs

My dear Admiral Waesche:

While in Los Angeles, Lieutenant Rudy Vallee of the Coast Guard Band played both at the luncheon at which I spoke and also at the broadcast in the evening. I consider his Band by far the best band I have heard of all the Armed Forces.

Sincerely yours,

Vice Admiral R. R. Waesche,  
Commandant of the U.S. Coast Guard,  
Washington, D.C.

June 20, 1944

My dear Mr. Tobin:

Many thanks for your letter of June 13, which reached my office while I was away from Washington and which I have just read with great pleasure and appreciation.

I am glad you liked the radio broadcast from Texarkana. We are trying to get as many different phases of American life as possible into these War Bond broadcasts. It is difficult for those in front of the microphone to judge of the effectiveness of a program; so your favorable comments are especially welcome.

I fully appreciate the validity of the point which you make about the desirability of having outstanding labor leaders address our great radio audiences of working people. We have done this in past War Bond Drives and have found it most effective. We certainly had no idea of neglecting to take advantage of the loyal support which has always been forthcoming from the leadership of Organized Labor. Our whole War Bond Program - and especially the Payroll Savings end of it, which has been so signally successful - has been based on two principles, voluntary purchases and an approach to the individual workers through the leaders of their own choosing. I think you will find, as the Fifth War Loan Drive progresses, plenty of evidence of how much we are depending on the cooperation of labor leadership.

Your own action in backing the Fifth War Loan Drive so thoroughly and effectively among

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your 600,000 members is a fine example of this. Please accept my sincere thanks. Our Labor Section has kept me advised of the fine Payroll Savings records of your constituent unions and of the many War Bond campaigns that they have conducted. Your International Brotherhood is a good pacemaker for them. The large proportion of your total assets which are invested in Government Bonds presents a concrete evidence of your confidence in the future of your country and its government which a Secretary of the Treasury can fully appreciate.

With best wishes,

Yours sincerely,

(Signed) H. Morgenthau, Jr.

Mr. Daniel J. Tobin  
General President  
International Brotherhood of Teamsters,  
Chauffeurs, Warehousemen & Helpers of America  
222 East Michigan Street  
Indianapolis, Indiana

June 16, 1944

My dear Mr. Tobin:

In the absence from the city of Secretary Morgenthau, I am acknowledging receipt of your letter to him of June 13th.

Just as soon as he returns to his office, you may be sure I shall bring your letter to his personal attention.

Sincerely,

(Signed) H. S. Klotz

H. S. Klotz,  
Private Secretary

Mr. Daniel J. Tobin,  
General President,  
International Brotherhood of  
Teamsters, Chauffeurs, Warehousemen  
and Helpers of America,  
222 East Michigan Street,  
Indianapolis, Indiana.



# INTERNATIONAL BROTHERHOOD OF TEAMSTERS-CHAUFFEURS WAREHOUSEMEN & HELPERS OF AMERICA

AFFILIATED WITH THE  
AMERICAN FEDERATION OF LABOR

INDIANAPOLIS, IND.

OFFICE OF  
DANIEL J. YOBIN, GENERAL PRESIDENT  
222 EAST MICHIGAN STREET

June 13, 1944

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

Dear Mr. Morgenthau:

I desire to say that I heard you last night on the radio. I think you made a splendid, clear statement. I was much impressed with the entire show. I think those who participated, especially those from Hollywood, deserve the thanks of the American people.

I received your telegram this morning, in which you ask me to do what I can to help in the Fifth War Bond Drive. I am enclosing a copy of an article which will appear in our monthly magazine which will be off the press and mailed to the homes of our 600,000 members on or before June 30. We send this publication into the homes of every one of our members. We also send a copy of our publication to all newspapers of the United States, to all libraries and other educational institutions, as well as to all International labor union offices.

The International Brotherhood of Teamsters will purchase \$500,000 worth of the new issue of bonds. This makes a total of nearly \$10,000,000 we have invested in bonds. Our total assets are only about \$11,500,000.

Congratulations on the splendid work you are doing. I know this drive will be a success, but how about the next, and the next? I am quite hopeful.

Very sincerely yours,

*Daniel J. Yobin*  
GENERAL PRESIDENT.

Mr. Henry Morgenthau, Jr.

June 13, 1944

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P. S. Your radio show last night lacked one thing, in my judgment, and that was having some outstanding labor man say a few words to the masses of the working people. You know the workers, organized and unorganized, are the ones who should be appealed to strongly for the purchase of war bonds. They are the ones also who are foolishly spending their money on many unnecessary purchases, thereby bringing about a scarcity of articles and creating inflation. The masses of the toilers also are the ones who need to save their money. It is needless for me to tell you that they have more confidence in their own leadership than they have in others. That is, of course, only natural. They know their leaders; they don't know the others.

D. J. T.

On June 12, 1944, the opening day of the Fifth War Bond Drive, there were sold on the New York Stock Exchange 2,700,000 shares of stock. It was the biggest day they have had in nearly two years. This does not include the number of shares sold on the Curb; nor does it include the number of shares sold in local stock exchanges.

We call this to the attention of our readers for the purpose of showing how much the men of wealth are doing to further the war bond drive. It was quite a nice answer to the appeal of nation to buy war bonds. The poor people do not buy stocks on the stock exchange. They know very little about it. Neither does the small business man, because he has a hard time trying to keep his business going. Consequently this enormous trading on the twelfth day of June was done by the rich. Those are the men who nail labor to the cross every chance they get. Those are the people who are, in their own opinions, excessively patriotic.

The multitude of the working people have allotted ten percent of their earnings towards the purchase of bonds. The government of our country and our war effort would be paralyzed unless we sold bonds. The stock exchange trading is, to some extent, a gamble. Those that invest are betting on the future of the nation. It is not a bad bet. They may earn on their investment, five or six percent, whereas they only earn two and one-half percent on government bonds. But one thing is certain and it should be understood by the masses of the workers, that if everything else

is to "blow up"--which it will not--government bonds are a sound investment. The writer of this article, understanding what has happened before to stocks and even to real estate investments, is putting all the money he can spare into government bonds because he believes it is a safe investment. This government will be on top of the world after this war is ended, even if some of the nations in Europe go bankrupt. We are holding down inflation, which depreciates the value of our dollar. We are now more than half way on the straight road to win this war. It may take a year or two years more before Japan is humbled and conquered, but we are surely on our way. We are hoping and praying that the war in Europe may end before the first of next January; but that is only a hope and a prayer. No one knows how tough the going may be except you gauge your opinions by the struggle we have had to drive the Germans out of Rome.

Again let us repeat for the benefit of our membership and the working people of the nation that there is no safer investment than a government bond; and unless you are compelled, because of sickness, distress or hunger, do not sell your government bond until you are able to receive the face value. Not only is a government bond a safe investment, but it is a patriotic duty for every American to purchase bonds to help the men who are dying, and those who are giving up everything in life that we may bring back freedom and preserve the civilization and freedom of our own country, for ourselves and those who come after us.

When the war is over the traders on the New York Stock Exchange referred to above, will tell you and the country that labor did not do its share, that they were the ones who won the war.



THE POSTMASTER GENERAL  
WASHINGTON 25, D.C.

June 20, 1944

Dear Mr. Secretary:

I was very much pleased with the generous letter which you recently wrote me in appreciation of the part employees of the Postal Service are playing in the Fifth War Loan. Because it was a tribute from the official who bears the direct responsibility in this important undertaking, I directed that it be printed in the Postal Bulletin. A copy of the Bulletin of June 13 in which your message is printed is enclosed herewith.

Sincerely yours,

*Frank E. Brown*

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

## ORDERS OF THE POSTMASTER GENERAL

### A TRIBUTE AND AN INSPIRATION

The Secretary of the Treasury has a responsibility for raising the vast sums needed to insure victory in this war. He has written a letter regarding the Post Office Department's participation in the Fifth War Loan. It is a well-deserved tribute, and an inspiration to our personnel to put forth their best efforts to make the Fifth War Loan a success.

THE SECRETARY OF THE TREASURY,  
WASHINGTON, May 31, 1944.

MY DEAR MR. POSTMASTER GENERAL: There is no need to ask for the support of the Post Office Department in the Fifth and biggest War Loan drive that starts June 12, because I have seen your War Bond message of May 22, to all postal personnel. But I want to take this occasion to pay tribute to the men and women of the postal service for their indispensable part in the financing of the war.

The records of my department show that on a recent date we had 54,290 issuing agents qualified to register and deliver Series E War Savings Bonds and of these, 22,958, or more than 42 percent, were the post offices of the United States. In hundreds of communities the post office is the only such agency.

I am aware that the Post Office Department is short-handed and that the mails are heavy. I know that giving good attention to bond investors imposes an additional heavy burden. I hope you will convey to all the men and women of your Department my personal appreciation of their cheerful and efficient services in this connection. I refer, of course, not only to the performance of their official duties but also to their patriotic services as American citizens. They subscribe liberally themselves and make use of their special knowledge and opportunities to assist War Finance Committees in attaining their local War Bond sales quotas.

In the Fifth War Loan, the opportunities will be helpful and the importance of success in this vital home-front job will be greater than ever.

Sincerely,

HENRY MORGENTHAU, JR.

HON. FRANK C. WALKER,  
Postmaster General,  
Washington, D. C.

### FILING OF APPLICATIONS REQUESTING OCCUPATIONAL CLASSIFICATION OF CERTAIN POSTAL EMPLOYEES

Establishment of Regional Deferment Committees of the Post Office Department

ORDER No. 24975; DATED JUNE 9, 1944.

The latest regulations of the Selective Service and of the Review Committee on Deferment, War Manpower Commission, pertaining to occupational classification or deferment of Government employees, are designated Local Board Memorandum No. 115, as amended May 12, 1944, and Occupational Deferment Memorandum No. 18, dated May 25, 1944, respectively. Copies of these and of the related regulations are being mailed under separate cover to Regional Deferment Committees (referred to hereinafter). These documents are described as follows:

- Local Board Memorandum No. 115, as amended May 12, 1944.
- Transmittal Memorandum No. 121, dated May 18, 1944.
- Local Board Memorandum No. 115-F (Temporary) as amended May 18.
- Local Board Memorandum No. 115-F (Permanent) as amended May 18.
- Public Law 23—Seventy-eighth Congress, chapter 33—First session.
- Executive Order No. 9309, dated March 6, 1943.
- Occupational Deferment Memorandum No. 18, dated May 25, 1944.

Under part 4 (b) of Executive Order No. 9309, and the regulations of the Selective Service and of the Review Committee, listed next above, the Department has decided to file applications requesting the occupational classification of certain male employees of the Postal Service, as follows:

(a) Age group 18 years through 25 years: Applications (Forms 42) requesting occupational classification will be filed for those male em-

ployees in this age group who have been classified by the Selective Service for limited military service or who have been disqualified for any military service. No applications will be filed for others in this age group.

(b) Age group 26 years through 29 years: The comment above, applicable to the age group 18 years through 25 years, applies to those in the age group 26 years through 29 years.

(c) Age group 30 years through 37 years: Applications (Forms 42) requesting occupational classification shall be filed for all male employees in this age group regardless of their present Selective Service classification.

Under the authority of paragraph 3, part 2, Executive Order No. 9309, effective immediately, there are established 15 Regional Deferment Committees (referred to hereinafter as Committee) of the Post Office Department.

Each Committee shall have three members, a chairman and two secretaries. The chairman shall be the postmaster at the respective Division Headquarters of the Railway Mail Service. The secretaries shall be the applicable Division Superintendents of the Railway Mail Service, and the Superintendent of Mails, the latter at the post office at which the chairman is postmaster.

The Headquarters of the respective Committees shall be the offices of the postmaster in the city in which the Headquarters of the respective Divisions of the Railway Mail Service are located.

The personnel, headquarters and territory of the respective Committees are shown as follows:

### Regional Deferment Committees

Members	Headquarters	Territory
Patrick J. Connelly, chairman; John F. Dinand, secretary; Francis W. Crawford, secretary.	Boston, Mass.	The New England States.
Albert Goldman, chairman; William J. Casey, secretary; Alfred W. Hanson, secretary.	New York, N. Y.	New York, New Jersey, Delaware, the Eastern Shore of Maryland, Annapolis and Northampton Counties, Va.
Vincent C. Burke, chairman; John W. Johnson, secretary; Frank M. Sommerkamp, secretary.	Washington, D. C.	Maryland (excluding the Eastern Shore), Virginia (excluding Annapolis and Northampton Counties), West Virginia, North Carolina, and the District of Columbia.
L. F. Livingston, chairman; Edward D. Adams, secretary; William H. Trzesniak, secretary.	Atlanta, Ga.	South Carolina, Georgia, Florida, Alabama, Tennessee, and Puerto Rico.
C. J. Becklet, chairman; Leslie O. Baker, secretary; Luke E. Drott, secretary.	Cincinnati, Ohio	Ohio, Indiana, and Kentucky.
Ernest J. Kruttsch, chairman; Arthur G. Cross, secretary; Thomas M. Peters, secretary.	Chicago, Ill.	Illinois and Iowa.
Bernard F. Dickman, chairman; Joseph A. Mulholland, secretary; Arthur G. Lane, secretary.	Saint Louis, Mo.	Missouri and Kansas.
William H. McCarthy, chairman; Wilfred Durrer, secretary; Melvin A. Gustin, secretary.	San Francisco, Calif.	California, Nevada, Arizona, Utah, Guam, Samoa, and Hawaii.
J. L. Collins, chairman; Leo J. Gavin, secretary; Henry V. Foltz, secretary.	Cleveland, Ohio	The main lines of the New York Central Railroad between New York, N. Y., and Chicago, Ill., and the Lower Peninsula of Michigan.
Arthur A. Van Dyke, chairman; Frank Rosenfeld, secretary; Philip B. Hamon, secretary.	Saint Paul, Minn.	Wisconsin; Northern Peninsula of Michigan; Minnesota; North Dakota, and South Dakota.
Henry D. Young, chairman; Clot J. Taylor, secretary; Walter B. Turner, secretary.	Fort Worth, Tex.	Oklahoma, Texas, and New Mexico.
Joseph J. Ferguson, chairman; John B. Morris, secretary; Fredon E. Green, secretary.	New Orleans, La.	Arkansas, Louisiana, and Mississippi.
George E. Starr, chairman; Aubrey D. Lawrence, secretary; Herbert McKinley, secretary.	Boast, Wash.	Oregon, Washington, Idaho, Montana, and Alaska.
William H. Eckhardt, chairman (is a postmaster in appointment); J. H. Musgrave, secretary; John Britton, secretary.	Omaha, Nebr.	Nebraska, Colorado, and Wyoming.
Raymond A. Bedwin, chairman; Oliver H. McChesny, secretary; Charles P. Cupper, secretary.	Pittsburgh, Pa.	The main lines of the Pennsylvania Railroad system from New York, N. Y., via Pittsburgh, Pa., to Chicago, Ill., and Saint Louis, Mo., and additional lines that may be designated, and Pennsylvania.

The duties of the Committees shall be to prepare and submit the applications (Forms 42) requesting the occupational classification of all male employees in the categories expressed in paragraphs "(a), (b)" and "(c)" above, except post-office inspectors, clerks assigned to Division Headquarters and domiciles of the Post Office Inspection Service, and employees paid from departmental appropriations.

25

June 20, 1944.

Dear Elinor:

You will remember that on June 9 you wrote asking me what I thought about the 20% theatre ticket tax as it affected certain plays before the public.

I was very glad to ask the Division of Tax Research to look into the matter for me and to prepare a memorandum which covered the situation. I am enclosing a copy of the memorandum of June 17, and believe that you will be interested in the points which it makes.

Affectionately,

(Signed) Henry

Mrs. Franklin D. Roosevelt,  
The White House.

Enclosure.

GMF/dbe

**Effect of the Increase of the General  
Admissions Tax on the Legitimate Theater**

**1. General statement**

All available evidence indicates that the increase from 10 to 20 percent on April 1, 1944 of the general admissions tax has had no unfavorable effect on the legitimate theater. The two amusement industry weekly trade magazines, Variety and Billboard, continue to report exceptionally good business in the legitimate theater as a whole and make no complaints about the tax increase. Activity has been good even though some critics argue that the quality of the plays has been poor.

The legitimate theater is a risky type of business. It is very difficult to predict which plays will appeal to the public and which will not. Unexpected fluctuations in popularity during the run of a play are not unusual. Although certain plays may have experienced declines in business after the tax increase in April, it should not be assumed that the tax increase was the cause, unless the theater industry as a whole experienced the same decline in a greater or less degree. Since indications are that the business as a whole has continued on a high level of activity and has not been generally affected by the tax increase on April 1, 1944, it is quite likely the increase was of little importance to any individual production.

**2. Trade comments on the general level of legitimate theater business since the tax increase**

**A. Variety, April 19, 1944**

This issue of Variety had the following headline, "Broadway Booms Again" and then went on to say that there were 20 percent more legitimate theaters open in New York than at the same time a year ago. In the same issue, the paper's Chicago correspondent stated that legitimate theater receipts indicated "that the increased Federal taxes on admissions have had no effect on patronage."

-2-

b. Variety, May 3, 1944

The Chicago correspondent of the magazine on this date reported that "Business continues on the up-grade with several attractions again enjoying a nice increase last week."

c. Variety, June 14, 1944  
Billboard, June 17, 1944

The latest information on the New York theater in Variety is that activity and receipts are quite good for this time of the year. Reports from other cities such as Philadelphia, Chicago and Los Angeles are very favorable. Billboard for June 17, 1944 states that the 1943-44 season in Chicago was the best in eleven years.

3. Trade comments on business decrease in New York in May

At the beginning of May, business decreased somewhat in New York, but Variety for May 3 attributed this to the weather.

4. Quality of offerings this season

It is interesting to note that the New York theater has been very active in spite of the fact that the quality of the material this year was not too good, especially in the more serious section. Some of the comedies, of course, have been excellent. Burns Mantle, retired New York News drama critic, who has an excellent reputation in his field and is editor of the "Theatre Year Book" claims that the plays generally were sub-standard. He comments that "In the third year of the war we are shy of both playwriting talent and playwriting enthusiasm." 1/

5. The case of the play "Decision"

The play "Decision" mentioned by Mrs. Roosevelt is closing on Saturday night, June 17. While critics considered this a worthwhile play, it was never an outstanding success with the public. However, it ran for twenty weeks in New York which is a fairly long and satisfactory run, especially when it is considered that the trade registered it as a "flop" on its pre-Broadway tryouts. 2/ These tryouts, of course, took place before the tax increased.

1/ Variety, June 14, 1944.  
2/ Variety, May 3, 1944.

THE WHITE HOUSE  
WASHINGTON

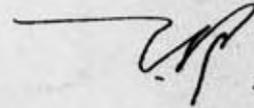
224  
*Play  
with  
i.e.*

June 9, 1944.

Dear Henry:

I wonder what you think about  
the 20% theatre ticket tax? I hear many  
plays, not like "Oklahoma" but good ones  
like "Decision", are very hard hit.

Affectionately,



JUN 20 1944

Dear Mr. Bowles:

Further reference is made to your letter of June 9 containing the suggestion that this Department assign to the OPA for a period of six months an agent experienced in counterfeit investigations and of supervisory rank to function under the direction of your Chief Investigator. After a careful survey of available personnel we have come to the conclusion that the assignment of Supervising Agent William J. Cawley would probably best meet your needs and if you agree I shall be glad to assign Mr. Cawley to this work.

Supervising Agent Cawley has had more than twenty years' experience as an investigator, having been with the Secret Service for more than ten years, and is well qualified for the assignment. He is now in charge of the Uniformed Force of the Secret Service and is also in charge of protection at the Bureau of Engraving and Printing. He has conducted several protection surveys for the OPA and is fully aware of the importance of protective measures and has also had extensive experience in counterfeit investigations.

Because of the important responsibilities of his present assignment, I am reluctant to release him for more than four months. I suggest that the assignment be made tentatively for four months and that another experienced agent on counterfeit investigations be assigned to cooperate with him during that four-month period. At the end of that period, perhaps Mr. Cawley could return to his present assignment and the other agent would continue to assist the OPA for a few months longer if you so desired.

- 2 -

I shall await your advice as to whether you feel that the services of Mr. Cawley and another Secret Service Agent are desired and, if so, as to when you wish them to start on their assignment.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

The Honorable Chester H. Bowles  
Office of Price Administration  
Washington, D.C.

HEG/mah

JUN 15 1944

Dear Mr. Bowles:

For Secretary Morgenthau I am acknowledging receipt of your communication of January 9, 1944, in which you inquire if there would be any possibility of assigning to the Office of Price Administration for a period of six months, a man such as Mr. Anheier in Baltimore or Mr. McGrath in New York.

Inquiries are being made to determine if the Secret Service can spare Mr. Anheier or Mr. McGrath, or another officer of similar qualifications, and I expect to be able to advise you on this point within a few days.

Very truly yours,

*(Signed) Herbert E. Gaston*Herbert E. Gaston  
Assistant Secretary of the TreasuryHonorable Chester H. Bowles  
Office of Price Administration  
Washington, D. C.MLH:EMG  
6-14-44

OFFICE OF PRICE ADMINISTRATION  
WASHINGTON, D. C.

JUN 9 1946

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

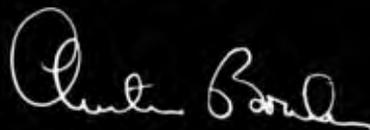
My dear Mr. Morgenthau:

I wish to thank you for the letter of May 25 from John L. Sullivan, Acting Secretary, with reference to my request that you assign or lend us someone to assist in our efforts to combat counterfeiting of ration currency. We appreciate your offer to detail Mr. Harry M. Dengler to assist in the training of our investigators. We have in the past used the services of Mr. Dengler in training matters and have found him extremely helpful. We shall be happy to call upon him again.

At the present stage of our operations, however, what we most require is a man with operating experience who could be assigned to actual direction, under our Chief Investigator, of the activities of the special agents engaged in counterfeit investigations. We have checked carefully the names of men that your office has previously mentioned and made offers to most of them. Unfortunately, none of these men were in a position to accept. Consequently we are still in a position where we do not have the services of a man trained in actual dealing with counterfeit operations. I know it is asking a tremendous favor, but I wonder whether there would be any possibility of your assigning to us for a period of six months a man such as Mr. Anheier in Baltimore or Mr. McGrath in New York. I believe that if we could obtain the services of such an individual for a limited period, we would be able to make considerable progress in eliminating counterfeit operations and that by the end of six months our men would have the experience to carry on effectively.

I would appreciate it if you would give this matter consideration and let me know whether there is any possibility of working out such an arrangement.

Sincerely yours,



Chester Fowler  
Administrator



STRICTLY CONFIDENTIAL 229

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE JUN 20 1944

TO Secretary Morgenthau  
Prepared by: Wesley Lindow *WY*  
~~SECRET~~  
Subject: War Production - Preliminary Report

At your request I talked to Mr. Petersen in the Office of the Under Secretary of War, and Mr. Stacy May and other War Production Board people, about the current situation in war production, with particular reference to the effects of over-confidence on output.

Unfortunately the latest data available at this time are for the month of May. It seems to be generally agreed that May production was unusually good. It was the first month this year in which the over-all program was met. Moreover, most of the programs for individual items were also met. A few items did not come up to schedule, but on the whole the situation was good. The June 10 issue of War Progress reports that "munitions output was right on schedule, 2 percent over April", and "the weapons that spearheaded the invasion--aircraft, landing vessels, naval ships, heavy artillery--also led the way in production."

Manpower problems continue to be severe, particularly in certain key programs. The May production record was made, notwithstanding a drop of about 100,000 in munitions employment. Labor shortages are not high in the aggregate, something like 200,000 as suggested by Mr. Nelson this week, or perhaps even a little higher. The trouble is, however, that the shortages are concentrated and thus may do severe damage in slowing up key programs. The forge and foundry industry is particularly bad off and there are the usual summer difficulties in employment in this industry to cope with. Mr. Petersen remarked that besides the foundry shortages, which of course bottleneck many munitions programs, it is proving difficult to get the necessary new employees in such increased programs as for heavy artillery.

Secretary Morgenthau - 2

On the question of over-confidence, it seems difficult to assign this as a specific cause for the troubles in any one spot. It is well recognized that this is an important factor but it is a difficult factor to isolate in connection with any particular production problem. Consequently, neither Mr. Petersen nor the WPB people were able to supply any information about particular situations which might be used in public discussions.

This preliminary report will be supplemented by a memorandum on certain specific military programs, the data for which are being made available late this afternoon or tomorrow morning by Mr. Petersen and WPB.

THE WHITE HOUSE  
WASHINGTON

June 20, 1944

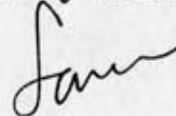
Dear Henry:

As you know, the President has vetoed the suggestion of my going up to Breton Woods.

However, I want you to know that I am grateful for your kind offer.

With kindest regards,

Very sincerely,



SAMUEL I. ROSENMAN

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

## TREASURY DEPARTMENT

## INTER OFFICE COMMUNICATION

DATE

June 20, 1944

TO Mrs. Klotz

FROM Mr. Shaeffer *C.P.D.*

Miss Tully has just informed me the President, at his press conference next Friday, will announce the American delegation to the monetary conference.

She suggested that we inform Steve Early of this matter, and furnish him with the official list.

She asked also that Mr. Early be made acquainted with any publicity we plan to issue subsequently, which I will take care of.

Speech Welcoming Delegates to  
International Monetary and Financial Conference.

Fellow delegates and members of their staffs, we are convened at the invitation of the President of the United States to formulate ways of dealing with international monetary and financial problems which will confront the world after the war of liberation has been fought to a victorious conclusion.

On behalf of the President of the United States, and on behalf of the American people, let me say that your presence here today, despite the almost insuperable difficulties of war-time travel and despite the sacrifice of your time from your war-time duties, is most gratifying. It symbolizes the devotion of the United Nations and the nations associated with them in this war to the principle that victory is not alone an end in itself but, rather, a means to the end of a post-war world in which international cooperation will be a fact and not a pious phrase. This conference is concrete evidence of their determination to find practical machinery for the maintenance of world peace and world prosperity.

We are assembled here today to grapple with some of the most important - and most urgent - economic problems which will confront the world in the post-war period. I refer, in particular, to the problems of world monetary stability and the international financing of reconstruction and development.

Though these be momentous undertakings when appraised in terms of their economic implications, it would be a profound misconception of our

- 2 -

ansibilities to overlook the broader ramifications of our mission.

The eyes of the world are today momentarily lifted from the smoke and wreckage of the battle front. They are hopefully - even prayerfully - turned to this quiet New Hampshire village for some glimpse, some reassuring sign, of the kind of a world that will emerge from the present conflict.

These eyes are not alone the eyes of the world's statesmen; nor the cold and dispassionate eyes of bankers, industrialists and technicians. Rather, they include the hungry eyes of the common man - the collective eyes of a war-torn world. These are the eyes of our fighting soldiers, of our men and women in the war factories, of the victims of enemy oppression in enemy-occupied territory -- yes, even the eyes of the enemy himself.

These men and women - the common people - are not interested in the technical niceties of the problems before this conference, nor in the technical niceties of any proposals we may be able to formulate. Neither are these people primarily concerned with the precise terms of any such proposals.

What they do want to know is: Can the Allies this time work together in peace as they have so brilliantly in war? Are we fighting this war just to return to the depths of hopeless uncertainty of the last decade? Will the blood we and our families have shed in this war consecrate a new era, or will it be profaned by petty jealousies and suspicions before it has even dried?

- 3 -

My friends, we cannot again disappoint these people. We cannot again shatter their hopes in the ability of man to work with man in peace as well as in war. Ours is a mission that must not fail.

Let none of us, however, be lulled into any false notion that ours is an easy task; that it will be a simple matter for forty sovereign states to sit down together and formulate proposals dealing with such complex problems upon which they can all agree. That agreement, that unity, we are seeking is something for which we must all strive, something for which we must all sacrifice, and something for which we must all accept a full measure of responsibility.

The technical experts of our respective countries have spent these past two years working on proposals upon which there could be technical agreement for international cooperation in the monetary and financial fields. They have worked with great patience and determination. They have left no stone unturned in their efforts to arrive at a common understanding of all of the technical problems involved. I am certain that today they are as one man on the proposition that there is clearly a technical basis for international cooperation in this field.

We are now called upon to translate these technically feasible programs into reality. We must dedicate our full efforts to this end. The time allotted to us for this task is short, but the need for immediate action is great.

Our men on the fighting fronts, and those supporting them, know no compromise with necessity. It is not too much to expect that we - their representatives - also will measure up to the necessity for success in our mission.

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In voicing these views I am deeply conscious of the fact that they are fully shared by all those present. They transcend the meaning of the word "hope" - they can only be expressed - and understood - in terms of prayer. Ours is a prayer for success - and the world prays with us.

**DRAFT OF THE SECRETARY'S ACCEPTANCE STATEMENT**

The deep gratification I feel for the confidence you have expressed in me is tempered by the realization of the enormous responsibility with which this Conference is charged. No one cognizant of the facts under-estimates the difficulties of the task that has been given to us. All of us hope that in a spirit of friendly cooperation we can meet these problems.

The two great wars of this generation, and the decades of uncertainty and confusion between them, are the most convincing proof that security and prosperity are inseparable, that both are beyond the power of any one country to assure for itself, and that only by acting together can we avert the dangers that threaten us separately. The great and powerful nations gathered at this conference have demonstrated their determination and their ability to fight together to assure a free world. We must now demonstrate that these nations can work together in solving their common economic problems.

The economic life of all countries is closely tied to that of others, and they must inevitably share in general prosperity or general depression. No country, however great and strong, can stand apart and be indifferent while the world economy is torn asunder. The great economic tragedy of our time is that countries

- 2 -

neglected this fundamental truth, that they permitted the economic and financial instability that grew out of the previous war to degenerate into the world-wide depression of the 1930's. We are determined that this time we shall be forehanded in dealing with the economic and financial problems of this war.

Unfortunately in the period of the 1930's currency disorders were allowed to develop which spread from country to country, destroying the basis for international trade and international investment. Controls and restrictions were imposed and extended without regard to their effect on other countries. Some countries, in a desperate attempt to secure for themselves a larger share of a shrinking volume of world trade, resorted to competitive depreciation of currencies, the direct effect of which was to contribute to a general weakening of exchange rates. Exchange control was adopted as a means for forcing a balance in international accounts. In a few countries these devices were frankly used as instruments for economic and political pressure, economic weapons in preparation for the war that was already planned by the Nazi, Fascist and Imperialist dictators.

The international financial problems that gave rise to the monetary disorder of the 1930's remained unsolved. The spreading depression was halted largely by measures of a domestic character; but international economic life remained stagnated. The interchange of raw materials and of finished products continued at depression

- 3 -

levels, stifled by trade restrictions, exchange instability, exchange controls, discriminatory currency arrangements, blocked balances and other devices of economic aggression in which peaceful and prosperous trade cannot flourish.

To these unsettled problems of the 1930's, there have been added in the past five years the new problems growing out of the war. Of necessity, normal international economic relationships have been disrupted and great structural changes have taken place in the world economy as a result of the war. In every country, controls and restrictions have been placed upon international transactions in order to conserve foreign exchange resources or to impose an economic and financial blockade of the enemy. These wartime controls, effective instruments for winning the war, can be destructive elements in the period of peace. We must prepare now to avert the tragedy of a new breakdown of currencies, wide-spread exchange instability, and the retention and extension of the controls and restrictions imposed during the war.

The decade of the 1930's saw the virtual extinction of international investment for productive purposes. For more than a century international investment had been an important factor in economic progress and in the steady and balanced growth of international trade. The productive resources of many of the nations gathered at this conference, including the United States, were developed in large part with the aid of investment funds provided by the older industrial countries. At the same time, the development of these new countries contributed to the expansion

- 4 -

of world markets and the phenomenal growth in the supply of the raw materials needed by the new industrial world. This healthy development of international investment was interrupted by the first World War. Unfortunately, when international investment was resumed in the 1920's, the projects were, too often, ill-conceived and the funds unproductively used.

Deep depression in the lending countries and in the borrowing countries, the aggressive acts of Germany, Italy and Japan, but above all the serious currency disorders and the restrictive measures on the transfer of earnings and the return of capital, all contributed to bringing about a serious deterioration of international investment in the 1930's. Productive and profitable international investment was replaced by a flight of capital seeking security and refuge in the countries where some measure of financial and political stability still prevailed. The present war has, of course, halted completely the normal process of international investments, with the great lending countries absorbed in the task of producing and using the great weight of armaments with which they will crush the enemy.

The restoration of international trade after the war depends not only upon the establishment of stable and orderly exchange arrangements but on the revival of international investment. To the great industrial countries, which are also the great lending countries, the resumption of international investment for productive

- 5 -

purposes will make easier the task of restoring their peace-time industries and of maintaining a high level of employment. To the newer countries international investment will facilitate economic development and provide them with a market for their production of raw materials and semi-finished products. To all countries, the expansion of international trade on the basis of sound international investment is essential for a healthy and prosperous economy.

No one can doubt that opportunities for profitable and productive international investment will continue in a world that is assured peace and freedom. To some extent, private capital will again flow abroad after the war, particularly in the field of direct investment which involves the provision of technical knowledge as well as capital. But the flow of international capital in the years immediately after the war will be far less than the sums that can be economically used unless investors are assured of a recurrence of losses from depreciated currency and exchange restrictions, from failures and defaults.

The establishment of stable and orderly currency arrangements will provide a sound foundation for international investment. We must be prepared, however, to give active aid and encouragement to international investment if this should prove necessary. The restoration of international investment on a sound basis is in the common interest of the investor and the borrower, and to the advantage of the lending and borrowing countries and the world economy in general.

- 6 -

The stabilization of currencies and the revival of international investment are not simply technical problems of importance to foreign exchange traders and investment bankers. They are vital factors in the flow of raw materials, the movement of finished goods, and the maintenance of a high level of production and consumption. In every country, agriculture and industry must find abroad important sources of supply or large segments of their market. Without a high level of international trade we cannot hope for the prosperity which is the only sound basis for democratic government and world peace.

For more than ten years, as Secretary of the United States Treasury, I have been concerned with the growth of restrictions on international exchange transactions and the decline of international investment. Throughout this difficult period, it has been the policy of the United States Treasury to contribute in every possible way to the intelligent solution of international monetary and financial problems. To facilitate the maintenance of orderly exchanges, the United States Treasury informally cooperated with the Finance Ministries of a number of countries in meeting exchange problems as they arose. Whatever small measure of success we had in the 1930's in retarding the continued depreciation of currencies and the spread of stringent exchange controls was in part due to this policy of informal cooperation.

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To formalize cooperation in maintaining stable exchanges, the United States, the United Kingdom and France entered into the Tri-Partite Accord under which they and the other countries adhering to this Accord, Belgium, the Netherlands and Switzerland, agreed to consult on exchange questions with a view to preventing unnecessary fluctuations in exchange rates and helping to remove the restrictions on exchange transactions. This policy of consultation was extended in the bilateral exchange arrangements with our Latin American neighbors and with other countries in which dollar exchange was made available, under adequate safeguards, for the purpose of facilitating the maintenance of stable exchange rates.

As Secretary of the Treasury, I was deeply concerned with the decline of international investment for productive purposes in the 1930's and the large and destructive flight of capital growing out of the monetary and political uncertainty of this decade. In 1934, the United States Treasury undertook the systematic collection of data on short-term capital movements. When the war broke out, these data were extremely helpful to the Treasury in the effective administration of our Foreign Funds Control which had no other purpose than to safeguard the foreign exchange resources of the invaded countries and to prevent the use of such looted resources by the enemy. It is our intention, in cooperation with other countries, to relinquish such controls as soon as they can be safely done, and to restore the free movement of capital to and from the United States.

- 8 -

The experience of the past ten years has convinced me that international cooperation on a multilateral basis provides the only means for establishing a stable and orderly system of international currency relationships and for reviving international investment, without which world trade cannot grow and prosperity in the great trading countries is impossible. At my request the technical staff of the United States Treasury, in cooperation with other departments of this Government, undertook in 1941 the study of these problems for the specific purpose of preparing practical proposals for international cooperation on monetary and financial problems. As you know, the same problems have been given very careful and extended study by the experts of the United Kingdom and other countries.

The tentative proposals of the experts have been made available to the public and have been submitted to Finance Ministers for consideration. For more than two years the technical experts of the United Nations have been discussing these proposals on an unofficial basis. These exploratory discussions have revealed the general opinion of the experts that difficult though these problems are, they can be solved, and that they are appropriately matters for international cooperation.

The experts have recommended that steps be taken to maintain a stable and orderly system of exchanges and to avoid competitive exchange depreciation; to assist in the establishment of multilateral

- 9 -

payments facilities on current international transactions and in the elimination of the foreign exchange restrictions which hamper the growth of world trade. Countries should be given confidence in undertaking such policies by making available to them, under adequate safeguards, the foreign exchange needed to meet their adverse balances on current international transactions while they take steps to correct the maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity.

Through such means, it will be possible to facilitate the expansion and balanced growth of international trade and to contribute to the maintenance of a high level of employment in real income which must be a primary objective of economic policy. To assure common action on these purposes and policies the experts have recommended the establishment of an International Monetary Fund to be a permanent institution to promote international monetary cooperation and to provide the machinery for consultation on international monetary problems.

The discussions of the experts on the problems of international investment have revealed a general opinion that the restoration of private international investment for productive purposes is an international problem that can be solved only through international cooperation. The benefits of international investment are world-wide in scope and the responsibility for the maintenance of an

- 10 -

adequate level of international investment must be international. While all countries cannot undertake to be lenders abroad, there is every reason why they should join as guarantors in international investment from which they all derive benefits.

It has been proposed to establish a Bank for Reconstruction and Development in which all of the United and Associated Nations would participate. The principal function of such a Bank would be to guarantee loans made by private investors for approved projects which contribute to the productivity of the borrowing country and which can be serviced out of the accruing foreign exchange resources of the borrowing country. Only where market conditions make it impossible to secure funds from private investors on reasonable terms would the Bank participate in or make loans out of its own resources. In fact, it is expected that a large part of the capital of such an institution would be reserved as a surety fund for securities guaranteed by the Bank.

This, in brief, is the program of international cooperation on monetary and financial problems that has been proposed by the technical experts. No one who has worked closely with these problems pretends that this program will miraculously cure the ills of a world that has gone through a decade of severe restrictions and controls and five years of destructive war. We are all conscious of the fact that the proper domestic policies are of primary importance in securing international prosperity. We are aware of the fact that much remains to be done in the field of commercial policy. We claim

- 11 -

no more for this program than that it is a necessary step in establishing a sound basis for international monetary and financial policies essential for a prosperous and peaceful world.

There are men of small minds and narrow vision who tell us that we must wait and see, that there is always time to deal with these questions. They counsel us that it is better to be late to be sure we are not premature, that it is better to do little to be sure that we do not do too much, that it is better to do nothing to be sure that we make no petty errors. To such men I say that the people of the United Nations are determined to prevent a breakdown of international economic relationships that will inevitably be followed by world-wide depression.

We cannot afford the risks of a do-nothing policy. Unless we act promptly to establish the basis for a world economy free from currency restrictions and discriminations, we shall lose by default to the proponents of <sup>the</sup> narrow policy of bilateralism, exchange control, and blocked currencies. We are at the crossroads in the determination of monetary and financial policy for the post-war world. One road inevitably leads to economic isolation in which each country will impoverish itself to achieve an impossible self-sufficiency. The other is the road to a flourishing economic life in which international trade, international investment and

- 12 -

normal currency relationships will make possible a period of peace and prosperity. It is for us to decide now which of these roads the world will take.

I know I speak for all when I say that we are conscious of the great responsibility that has been given to us, that we are determined that the free world born again in the travail of war will be a world of work and wealth based upon international cooperation.

via courierUNRESTRICTED  
SECRET

June 20, 1944

TO CERTAIN AMERICAN DIPLOMATIC OFFICERS:

CIRCULAR AIRGRAM

FOR THE CONFIDENTIAL INFORMATION OF THE AMBASSADOR:

There is repeated to you for your information the following War Refugee Board cable which has been sent to the heads of Missions in Portugal, Spain, Sweden, Switzerland and Turkey:

"On June 9 the President announced to the press that the army camp Fort Ontario Oswego New York has been set aside as an emergency refugee shelter to house one thousand refugees who are being brought to this country immediately from Italy outside the regular immigration procedure. Refugees will remain in the camp for the duration of the war. The text of the cable despatched to Ambassador Robert Murphy in Algiers on June 8 was released to the press by the President and appeared in the radio bulletin of June 9. The War Refugee Board is charged by the President with overall responsibility for this project. The army has been directed to take the necessary security precautions to insure that the refugees remain in the camp during the war. The War Relocation Authority is to be responsible for the actual administration of the camp. The Board regards the action taken by the President as a great step forward in the efforts of this Government to rescue refugees in imminent danger of death and to afford all possible relief and assistance to such victims. This step can only be properly appraised against the background of the many vigorous measures taken by the President and the Board in the intensive effort to rescue the victims of Hitler's extermination policies. The action taken by the President in bringing refugees from Italy to a place of safety in this country should again demonstrate clearly to the world that it is an important policy of this Government to rescue as many refugees as possible. Following this announcement this Government should be in a stronger position to urge Allied and neutral countries to expand their efforts on behalf of refugees. It is the confident hope of this Government that through the joint efforts of Allied and neutral countries many additional lives can be saved. Hopefully, the President's action will become known in the occupied areas and should have an important psychological effect in convincing the Nazis and their subordinates throughout Europe that this Government is serious in its deep concern for the fate of persecuted peoples. Evidence is already at hand that the efforts of this Government in the refugee field have brought new hope to the persecuted people in the occupied

areas and

-2-

areas and the President's action should serve as a further manifestation of the effectiveness and security of the humanitarian policy of this Government.

The President has also directed, in addition to the action indicated above, that a survey be made immediately of the possibility of enlarging existent refugee facilities in the Mediterranean Area and finding new havens of refuge in that area for these people. Movements to increase the quota of the refugee camps in the Middle East from 25,000 to 40,000 are being made. The opening of a camp in Tripolitania which would accommodate about 1500 persons has been agreed to by the British Government. We are canvassing the possibility of taking refugees to Cyprus together with possibility that some southern Italy refugees may be cared for in Sicily, pursuant to the President's suggestion. We are also exploring other possibilities. The above represents an effort of this Government, in cooperation with the British Government, to find places of refuge in which shelter may be found by all persons escaping from Italy.

You are requested, keeping the above in mind, to act as expeditiously as possible in the following manner. The foregoing should be brought to the attention of the government to which you are accredited, the significance of the action in the refugee field being emphasized. The determination of this Government to find havens of refuge for all persecuted peoples who can escape from German-controlled areas should be made clear to the government to which you are accredited. Please explore carefully therefore with such government all possible means by which further aid in the rescue and relief of victims of enemy persecution can be given by it. Consistent with the military situation every effort should be made to give publicity in the neutral countries and in enemy territories to the President's action and its significance.

The results of the action which you take pursuant to this telegram should be reported immediately."

Please bring the foregoing to the attention of the Government to which you are accredited, emphasizing the significance of this action in the refugee field. In addition, every effort should be made to give publicity in the country to which you are accredited to the President's action and its significance.

The contents of the above cable should, of course, be born in mind in any pending or future discussions which you may have with the Government to which you are accredited concerning possible means by which that Government can further aid in the rescue and relief of victims of enemy oppression.

Sent to American Embassy, Buenos Aires, for information only.

HULL GLW

CABLE TO AMBASSADOR MURPHY FOR ACKERMANN, ALGIERS, FROM WAR REFUGEE BOARD

Reference your 2044 of June 16 concerning interpretation of Quote approximately 1000 Unquote.

It is our view that to avoid any possible criticism from any source quoted expression should be construed strictly. Accordingly the number moved should be as near to 1000 as possible.

The is WRB Cable to Algiers No. 27

Repeat to American Consulate, Naples.

June 20, 1944  
5:00 p.m.

MJM:bbk - 6/20/44

No. 16511

Rio de Janeiro, June 20, 1944

CONFIDENTIAL

SUBJECT: Refugees in Brazil

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

Sir:

I have the honor to refer to the Embassy's despatch No. 16169 of June 1, 1944 and to previous correspondence concerning the attitude of Brazil towards the question of admitting refugees into its territory.

The Embassy has pursued this matter further on several occasions at the Foreign Office, but Ambassador Velloso stated today that there have been no further developments and no changes in the situation as described in the Embassy's despatch under reference.

The impression was gathered from today's conversation with Mr. Velloso that the Foreign Office has had difficulty in enlisting the active interest of President Vargas in this question, although the Foreign Office apparently appreciates its importance and significance in relation to the possible approach of the termination of European hostilities and the consequent urgent need for action by various American Republics along the lines which we have adopted.

The Embassy will report any further developments which may occur.

File No. 800  
JFS:mp  
To the Department in  
original and hectograph

Respectfully yours,  
For the Ambassador:

John F. Simmons  
Counselor of Embassy

## PARAPHRASE OF TELEGRAM RECEIVED

253

FROM: American Embassy, London  
TO: Secretary of State, Washington  
DATED: June 20, 1944  
NUMBER: 4889

SECRET

We have now received from the Refugee Department of the Foreign Office a letter answering the inquiries of the War Refugee Board concerning the eligibility for exchange of Jews now in German-controlled territory who hold Palestine certificates, as forwarded in Department's cable of June 3, No. 4411.

It is stated by the Foreign Office that the Palestine Government in collaboration with the Jewish Agency for Palestine nominates persons whom it would be willing to exchange for German citizens held in Palestine and then the names of such persons are communicated to the German Government through the protecting power (Switzerland). However, in practice the German Government often declares itself unable to trace the persons named and other members of the Jewish race have been substituted by it. Two exchanges have taken place up to the present, one in December 1941 and another in November 1942 involving about 350 German citizens and 180 holders of Palestine certificates and their next of kin. Thus the balance is to the advantage of the Germans and to redress it we are now negotiating a third exchange on a basis of 280 certificate holders and 110 Germans.

With respect to the procedure to be followed in placing persons on exchange lists, it is suggested by the Foreign Office that the War Refugee Board might be told that Jewish organizations or individual inquirers should be told to communicate names of persons in whom they are interested to the Colonial Office in London, which would then forward them to the High Commissioner at Jerusalem and the Jewish Agency for decision as to the suitability of their being placed upon the list for exchange in the manner which we above outlined.

WINANT

## PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Tehran  
TO: Secretary of State, Washington  
DATED: June 20, 1944  
NUMBER: 2443

## SECRET

Relief parcels, now amounting to 10,000 per month, are being sent by America's Joint Distribution Committee from Iran to Polish Refugees both Jewish and non-Jewish in the Soviet Union, as the Department will recall. The Polish Red Cross furnishes part of the supplies included in the parcels and part of the parcels are sent to recipients which the Polish Red Cross designates, although the name of the latter organization does not appear on the packages.

It is reported by Charles Passman, JDC representative, that during the past week he has had strong intimations from local Soviet authorities that the Soviet Government looks with disfavor on JDC connection with the Polish Red Cross, these intimations being accompanied by suggestions that his organization collaborate with Union of Polish Patriots in carrying on its relief work. It has been suggested to Passman by the UPP office here that all JDC parcels sent into Russia under UPP auspices benefiting by freedom from customs duties accorded UPP for relief goods and that a portion of them be turned over unaddressed to be sent to recipients which UPP selected.

The latter organization would not object to continued despatch of parcels to recipients which the Polish Red Cross or JDC itself selects, but it would insist that all parcels bear UPP name as well as the name of JDC and that no parcels bear any indication of Polish Red Cross origin.

Fearing that the Soviets might stop despatch of parcels to Polish refugees altogether or at least force him to restrict operations to Jews exclusively, Passman hesitates to refuse this proposal. It is also pointed out by him that freedom from customs duties would permit an increase in the volume of shipments. He does not desire, on the other hand, to have JDC used as an instrument of political propaganda by permitting UPP to take credit for relief supplies of American and Polish Red Cross origin. The UPP representative declined to consider his suggestion that all three organizations on a non-political basis and send parcels bearing the names of all three.

The Legation has been asked for advice by Passman but I do not feel able to give it in the absence of specific instructions. Can the Department give me any indication of policy which would be of assistance.

As background,

- 2 -

As background, Passman says that UPP is having secret conversations with Polish Red Cross here which might possibly lead to some agreement between them. He is willing to accept anything which the Polish Red Cross agrees to, provided it facilitates expedition of relief parcels, and in the hope that an agreement may be reached, he proposes to delay action on the UPP proposal.

FORD

## PARAPHRASE OF TELEGRAM RECEIVED

FROM : American Consulate General, Naples  
TO : Secretary of State, Washington  
DATED : June 20, 1944  
NUMBER: 247

CONFIDENTIAL

Following is Ackerman's No. 2 for the War Refugee Board.  
You are asked to please arrange shipment, if possible, of  
copies of WRB ciphers to Naples which has none. Also Rome,  
Bari and points north should be sent copies.

BRANDT

No. 162. Voluntary Report.

American Legation,  
Wellington, New Zealand.  
June 20, 1944.

AIRMAIL

RESTRICTED AS MARKED

POPULATION AND IMMIGRATION - NEW ZEALAND

Prepared by J. Jefferson Jones, III.

(Reference Legation's airmail despatch No. 251 dated April 5, 1944, on subject of POPULATION AND IMMIGRATION.)

ADMISSION OF POLISH REFUGEES: As the Department was informed in the Legation's despatch No. 251 of April 5, 1944, the New Zealand Government has determined to admit approximately 700 Polish refugees to New Zealand. An announcement was made to this effect to the press on June 2, 1944. The Acting Prime Minister (Mr. Sullivan) in making the announcement stated that the offer of the New Zealand Government had been gratefully accepted by the Polish Government and that arrangements were being made for a party of children accompanied by the necessary staff to proceed to New Zealand from Iran as soon as transportation could be obtained. Mr. Sullivan stated that the large majority of the party would be children and the remainder would consist of doctors, nurses, teachers, cooks and camp maintenance staff. A few of the children might be accompanied by their mothers. He said that the refugees would be placed in a camp in the Pahiatua area, in the southern central part of the North Island. There was no indication in the Acting Prime Minister's statement whether the Polish children were expected to remain in New Zealand permanently.

- 2 -

ACTIVITIES OF DOMINION SETTLEMENT ASSOCIATION: The Dominion Settlement Association has continued to urge the adoption by the New Zealand Government of a planned immigration policy. While applauding the Government's decision to bring the 700 Polish refugees to the country, it has indicated that this action is merely a first step in solving the New Zealand population problem by bringing into the country immigrants from the United Kingdom and certain other European nations. The Association sent a cable to the Prime Minister (Mr. Fraser) while he was in London to attend the Conference of Empire Prime Ministers, urging him to lay the foundation of a post-war plan to obtain a substantial number of United Kingdom and European war orphans since British adult immigrants were apparently not available.

STATEMENTS OF NEW ZEALAND GOVERNMENT POLICY: In a statement which appeared in the press on April 15, 1944, the Prime Minister said in reply to a letter addressed to him by the Dominion Settlement Association that during his visit to the United Kingdom the question of immigration from that country to New Zealand would be discussed and that his attitude on behalf of the Government would be that, following the settlement of New Zealand servicemen and women, a generous invitation would be extended to those of the Mother Country who desire to come to New Zealand. In reply to the telegram of the Dominion Settlement Association requesting that he take action to arrange for European orphans to come to New Zealand, it was reported in the daily newspapers that Mr. Fraser stated that inquiries were being made about the possibility of action being taken along the line suggested.

A summary of the New Zealand Prime Minister's statements in reference to immigration while in the United Kingdom, as reported in the press, is as follows:

New Zealand recognizes the importance of having a larger population not only for the development of the natural resources of the Dominion, upon which its high standard of living depends, but also for security reasons. However, until the immediate post-war economic situation is clarified, specially in regard to the extreme shortage of housing, it is not in a position to formulate plans for immigration to cover the period of demobilization and readjustment of industry following

- 3 -

the cessation of hostilities. The New Zealand Government is emphatic that its first duty is housing and the rehabilitation of tens of thousands of New Zealand servicemen, and, until this duty is fulfilled, it could not encourage the belief that the country would be in a position immediately after the war to absorb large numbers of immigrants. If it may be possible under some planned system to bring to New Zealand quantities of machinery for various industrial enterprises then it would certainly be feasible and desirable to bring operatives with machines and assure them of good living prospects. The main difficulty of such a scheme is that the United Kingdom will be anxious to keep for its own immense task of reconstruction the very type of migrant who would be most useful in New Zealand.

RESTRICTED

EDITORIAL COMMENT: With the exception of the ultra-conservative newspaper, the DOMINION (Wellington), the daily newspapers in the Dominion generally have contrasted the vagueness of the immigration policy of New Zealand with the vigorous policy of Australia, and have expressed the opinion that the Government should immediately take steps to develop a carefully planned policy of encouraging immigration from selected countries. Several papers have pointed out that New Zealand would lose the opportunity of obtaining suitable immigrants from the United Kingdom because of its delay in establishing a policy, in contrast to the well-developed plans of the other Dominions. Several editorials express gratification at the recently announced plan of the Government to bring Polish refugee children to the Dominion and have approved the suggestion of the Prime Minister of facilitating the entry into New Zealand of British servicemen of the Royal Armoured Corps and 51st Highland Division who served alongside the New Zealand Division in Italy.

It is rather surprising to find the DOMINION, which is perhaps the most consistently anti-Government of all the daily newspapers in the larger cities, belittling the possibilities of obtaining large numbers of immigrants. An editorial appearing in that paper on May 12, 1944 repeats the idea that the finest prospect for the sound development of New Zealand's population is the advancement of the birth rate. Perhaps the explanation

- 4 -

1/

for its stand is due to its opinion as indicated in the enclosed editorial that the chances of the migration of substantial numbers of British people to the Dominion are rather small. It is evidently not too enthusiastic over the immigration in large numbers of persons other than of British stock.

2/

One highly questionable viewpoint was expressed in the OBSERVER, a weekly review published in Auckland. The opinion was set forth in one of its recent issues that large numbers of American soldiers who had been stationed in New Zealand and who had come from agricultural districts in the United States would have noticed that the New Zealand farm worker receives almost four times as much as the farm owner receives in the United States.\* The article indicated that this fact was going to result sooner or later in pressure on the New Zealand Government by the United States for a liberal immigration policy of permitting North American agriculturists to enter New Zealand.

3-7/

As of interest to the Department there are enclosed several of the most acute editorials which have appeared in recent months.

EVALUATION: While admitting the desirability of a larger population in the Dominion, the Prime Minister in his public statements has always indicated that the rehabilitation of New Zealand servicemen was of primary importance. Another factor to be taken into consideration is the growing concern in New Zealand<sup>1</sup> caused by the number of aliens, a great many of them refugees, who are engaged in business. As an evidence of this tendency, the press reported on May 27, 1944 that the New Zealand Manufacturers' Federation, at its quarterly conference in Christchurch, decided to request the Government to implement restrictive measures on the business activities of certain aliens in order to protect the interests of New Zealand servicemen both during the War and in the transitional period following its conclusion. In view of the preceding considerations, it is still doubtful that substantial numbers of immigrants will be brought into the Dominion, despite the

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1. Legation's despatch No. 339 dated May 10, 1944, entitled TRANSMISSION OF NEWSPAPER CLIPPINGS ON IMMIGRATION PROBLEMS.

- 5 -

efforts of the Dominion Settlement Association and other organizations to influence public opinion towards the realization of the necessity for a planned immigration policy by the New Zealand Government.

Approved:

Basil D. Dahl  
Commercial Attache.

J. Jefferson Jones, III,  
Third Secretary of Legation.

840.1/855  
JJJ/alj

LIST OF ENCLOSURES:

1. Editorial from THE DOMINION (Wellington) dated May 12, 1944.
2. Article from THE NEW ZEALAND OBSERVER (Auckland) dated February 16, 1944.
3. Editorial from THE AUCKLAND STAR (Auckland) dated May 9, 1944.
4. Editorial from THE PRESS (Christchurch) dated May 10, 1944.
5. Editorial from THE NEW ZEALAND HERALD (Auckland) dated May 12, 1944.
6. Editorial from THE OTAGO DAILY TIMES (Dunedin) dated May 13, 1944.
7. Editorial from THE PRESS (Christchurch) dated May 30, 1944.

SOURCES OF INFORMATION:

The Press.  
The Dominion Settlement Association.

Hectograph to the Department.

Enclosure No. 1 to Voluntary Report No. 162 dated June 20, 1944, from the American Legation, Wellington, New Zealand, entitled POPULATION AND IMMIGRATION - NEW ZEALAND.

Source: THE DOMINION (Wellington) dated May 12, 1944.

#### IMMIGRATION AND WASTAGE

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While it may be true that the subject of British post-war emigration to the Dominions has been placed high on the agenda of the Imperial Conference, the inference drawn from this by the London correspondent of the New York HERALD TRIBUNE (whose cabled comments were published last week) is extravagant. There are no reliable indications that "the post-war years will probably see the greatest emigration of young Britons to the Dominions since Queen Victoria's expansion programme." On the contrary it seems likely that Britain will approach the question of assisted emigration with the greatest caution, having regard to her own post-war need of a virile industrial population.

The realistic view of the problem is that put forward by the London DAILY MAIL in the statement that "migration must be planned and regulated, hateful though the idea may be." A surge of population from the Homeland to the Dominions, actuated by impulse and lacking any sound basis of economic adjustment, might be disastrous. Equally dangerous would be the adoption by the Dominions of an open-door policy as a means of relieving the overcrowding of European countries generally. New Zealand has had in recent years some considerable experience of alien immigration, and on the whole this has been far from encouraging, even at a time when the abilities possessed by such people can be employed to an abnormally wide extent. The post-war outlook for the city-dwelling alien who is a trader rather than a producer, and whose communal instincts are apt to run counter to those of people of British stock, is obscure.

It may well be the case that the type of British immigrants sought by this Dominion, as well as by others, will be rare -- especially so if the re-establishment

- 2 -

of British manufacturing industries goes hand in hand with the present regeneration of British agriculture. Moreover, it is to be recognized that if British youth is seeking to break from Home traditions and find freedom of individual opportunity in Empire lands, this Dominion, with its political trend toward regimentation and State socialism, may have less to offer than most. The post-war expansion of our population, if it is to proceed with economic safety, will require to be gradual by comparison with the dreams conjured up in some quarters, both here and abroad.

Beyond any doubt, the finest prospect for the sound development of this Dominion's population is to be seen in the encouragement of natural immigration -- the advancement of the birth-rate. The fact that this is a long-term method especially commends it in view of the probable unsettlement of the immediate post-war era. It is a tragic anomaly that a country of small population, in which some suitable formula of immigration is being anxiously sought, should be vitally handicapped by the evil of abortion, practised -- in spite of such vigilance as the law is able to employ -- on a national scale. From time to time criminal abortion has been reported upon, but steps have yet to be taken to bring home to the public the true implications of that evidence. It is not generally recognized, for example, that the most recent disclosure of the number of cases of sepsis, arising from induced abortion, treated weekly in one of our public hospitals, provided an indication that abortion destroys, on a most conservative estimate, from 15,000 to 20,000 lives annually. In the light of such appalling national wastage, talk of planned immigration as a means of building up our population appears simply as a device of indolence. We must go deeper into the national conscience and spirit to find the soundest means of meeting our future needs as a young nation in a progressive new world.

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Enclosure No. 2 to Voluntary Report No. 162 dated June 20, 1944, from the American Legation, Wellington, New Zealand, entitled POPULATION AND IMMIGRATION - NEW ZEALAND.

Source: THE NEW ZEALAND OBSERVER (Auckland),  
issue of February 16, 1944.

#### A POST-WAR POSSIBILITY

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Here, I may draw the attention of interested parties to a repercussion (at some future moment) of the facts demonstrated by Mr. Clark's figures. Many thousands of American soldiers have seen New Zealand, and large numbers of them have come from agricultural districts in their own country. They will have noted that the New Zealand farm gives the worker on it about four times as much as the U.S.A. Farm does for its own occupant. This fact is going to give rise, sooner or later, to U.S.A. pressure for a liberal immigration policy of North American agriculturists into New Zealand.

It is also obvious that the U.S.A. is going to be in a specially favourable post-war position to bring pressure for the adoption of such a policy. I am not expressing (at the moment) any opinion as to the attitude New Zealand should take up in this matter. But the public should recognise that the issue indicated is going to be one of extreme importance in the post-war Pacific alignment of population.

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Enclosure No. 3 to Voluntary Report No. 162 dated June 20, 1944, from the American Legation, Wellington, New Zealand, entitled POPULATION AND IMMIGRATION - NEW ZEALAND.

Source: THE AUCKLAND STAR (Auckland), dated May 9, 1944.

#### PUTTING IT OFF

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The reply given by the Prime Minister to questions asked him in London concerning New Zealand's immigration policy was the only kind of reply that he could have given honestly, but it will give no comfort to those who see in the Dominion's scanty population a question mark affecting her whole future. It is true, as Mr. Fraser said, that the Dominion's first obligation is to her own servicemen, and that they should be provided for first. Although nobody disputes the justice of this priority, it is right that it should be emphasised whenever immigration is discussed. Unfortunately, it seems that the existence of this prior obligation is being used as a reason for relegating immigration plans, and even the need to formulate anything that would deserve the description of an immigration policy, into the background. There is merit in Mr. Fraser's suggestion that men who have fought in British military formations alongside the New Zealand Division might be the first to be encouraged to come to the Dominion to live. This suggestion might be extended to include airmen and sailors as well. But it is, after all, no more than a suggestion, and, in the light of Mr. Fraser's qualifications, an empty one. We can imagine it being explained to a member of the 51st Highland Division that New Zealand would like to have him as a citizen but it would not be ready to receive him until all New Zealanders had jobs and homes. The Scot would be likely to ask what he would be expected to do while he was waiting. More likely, if he had made up his mind to emigrate after the war, he would conclude that there was no prospect at all in this Dominion, and he would turn his attention to prospects elsewhere. In this connection, it should be realised that, in the United Kingdom, Canada is not only the nearest Dominion, but the only one, so far, which has given practical expression to a desire to encourage immigration, and as soon as possible.

- 2 -

There are two prerequisites to any fruitful consideration of an immigration policy. The first is a realisation that in prospective conditions New Zealand would not be conferring a favour on anyone but herself by deciding to encourage immigrants. It is more likely that she would have to compete for the kinds of immigrants she wanted, even if the United Kingdom Government were willing to co-operate in a policy that might deprive her of some of her most vigorous and useful citizens. The second is a realisation that under a well-conceived immigration policy the newcomers would not deprive others of employment; they would make more employment. The notion that our economy is a static one, with only enough jobs to go round, is defeatist and stultifying. If it had been prevalent in the pioneering days this country would never have been developed as it has been, nor could it have risen from the status of a small and inferior colony. If such a notion is allowed to dominate public thinking, and public policy, then the Dominion has no future except a declining one. The kind of thinking which is needed concerning the Dominion's future is that which will start from the conviction that the country needs a greater population, needs it desperately, and that it is not impossible, if political considerations can be subordinated, to combine the rehabilitation of our servicemen with the resumption of immigration. If all thought of the second is left until the completion of the first, then the thinking will be done much too late.

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Enclosure No. 4 to Voluntary Report No. 162 dated June 20, 1944, from the American Legation, Wellington, New Zealand, entitled POPULATION AND IMMIGRATION - NEW ZEALAND.

Source: THE PRESS (Christchurch) dated May 10, 1944.

IMMIGRATION: WHY, WHEN, AND HOW

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In his London statement on immigration, reported yesterday, the Prime Minister said heavily that sound planning was the essence of any future immigration scheme. Future scheme, or future immigration? He left little doubt about it. New Zealand has "first to provide for its own men in the forces. After that there must be a proper scheme of immigration, considered in the light of the entire world economic position and consultation and arrangement between the United Kingdom and the Dominions." This may be new in London; it is old in New Zealand, old, blind, deaf, dull, helpless, hopeless. It has not yet entered the Prime Minister's mind that the process of "providing for" New Zealand's own service men and women may be aided, not retarded, by selective immigration begun at the earliest possible stage; that inquiry into this possibility ought to be forwarded now; that, if the possibility is favourably tested, preparations should be forwarded now; and that, if the Government really wants immigrants, it ought to be ready to use early opportunities. They may rapidly diminish as the process of reconstruction in Europe goes on. That is to lay all the emphasis on opportunity and none at all on duty. Yet no statesman professing humanitarian ideals can look at the present situation of Europe and its early post-war prospects, with 30,000,000 refugees to be restored to homes and livelihoods, without feeling that every country, rich and intact, has the duty of studying how far it can help -- and how soon. But Mr. Fraser's dreary doctrine of rehabilitation first and immigration -- or rather, "a proper scheme of immigration" still to be worked out -- "after that" was not his only contribution to unconstructive thought. Since there is, he said, "a limit to agricultural development," it would be "necessary to look to

- 2 -

other industries to absorb immigrants." What limit was Mr. Fraser thinking of? The limit of the between-wars world of economic nationalism, trade restrictions, import quotas, and supposed surpluses of production? It may be supposed that he was. It cannot be supposed that he had in his mind any limit which a starving world will impose for some years to come. It cannot be supposed that he remembered the expanding demand of the new order of freer trade to which he has pledged himself and pledged this country. It must be supposed that he had entirely forgotten the reasoned programme of increased food production and consumption accepted by the United Nations Food Conference at Hot Springs, and by the New Zealand Government's delegation in particular. Mr. Fraser spoke of immigration, and appeared to think of immigration, as a cynical defeatist might. If he is not, he will have to think and speak and act to a very different effect.

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Enclosure No. 6 to Voluntary Report No. 162 dated June 20, 1944, from the American Legation, Wellington, New Zealand, entitled POPULATION AND IMMIGRATION - NEW ZEALAND.

Source: THE OTAGO DAILY TIMES (Dunedin) dated May 13, 1944.

#### MIGRATION

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It should not cause any surprise to learn that such hopes as may have been entertained that New Zealand might after the war benefit by an influx of population from the United Kingdom will not be realised. We have ourselves on more than one occasion expressed the view that Great Britain would not be in a position to spare the loss of her manhood and womanhood that would be involved in any scheme of organized emigration. This view is now completely confirmed by the cabled statement that the British Government will not encourage any large scale departure of young people to other parts of the Empire. Great Britain is, in fact, confronted with a problem in population not dissimilar from that which the dominions have to face. In these circumstances the Government is, we are told, planning for a policy of full employment after the war that will enable her to regain or retain her position as one of the leading industrial and commercial countries in the world. This is not merely an intelligible policy. It is the only policy open to a Government that is prepared to apply the principle enunciated by Mr. Churchill that "the destiny of our country, which after all has rendered notable service to mankind in peace and latterly in war, depends upon an ever-flowing fountain of healthy children, born into what we trust will be a broader society and a less distracted world." The fountain of which Mr. Churchill spoke has been flowing less freely than is required in the interests of the welfare and security of the United Kingdom. The existing population of Great Britain is about 46,000,000. It has been calculated that unless the national birthrate can be raised by some 25 per cent. in the course of the next thirty years, and unless it can be kept at that level, the population of the country a century hence will have dropped to 30,000,000 and will be still falling. Great Britain simply cannot afford to weaken herself by organising the

emigration of the most virile members of her population. Military victory over the Axis Powers will serve her little and serve the next generation not at all unless it is accompanied by adequate guarantees for the future of the nation and for the preservation of its ideals. There is, therefore, every reason why, as is now stated, she proposes to provide conditions of work so attractive as will keep her young people at home. If this end is accomplished, New Zealand must look elsewhere than to Great Britain for the additional population of which she is in distinct need. The Prime Minister hardly seems to have appreciated the fact that the population problem is of a grave nature in this Dominion. He is particularly concerned at the present time with the prosecution of a sound scheme of repatriation of the men and women of our armed forces. Everyone will agree with him that that is a wise and proper attitude for him to adopt. But it would be idle to ignore the fact that there is a not distant prospect of an actual decline in the population of the country. And that means that our future security is definitely threatened.

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Enclosure No. 7 to Voluntary Report No. 162 dated June 20, 1944, from the American Legation, Wellington, New Zealand, entitled POPULATION AND IMMIGRATION - NEW ZEALAND.

Source: THE PRESS (Christchurch) dated May 30, 1944.

#### IMMIGRATION

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Mr. K. B. Cumberland's recent address to the Christchurch branch of the New Zealand Society of Accountants, reported yesterday, has its connexion with the report, a few days earlier, of Lord Cranborne's statement on the British Government's plans for Empire migration. Adding some significant details to previous reports of the Prime Ministers' conclusions on this subject at the recent conference, Lord Cranborne said it had been "definitely agreed" that the Dominion governments would consider it "directly after the return of their Prime Ministers" and would then communicate with the British Government upon "further steps to be taken." There is, here, evidence of greater urgency than had appeared in earlier reports. More than that, Lord Cranborne said that his Government had made it "abundantly clear" that, Britain's need for population notwithstanding, it felt on "broad Imperial lines" bound to encourage and assist inter-Imperial migration, if the Dominions wanted it and if they were prepared to "make their own contribution." It is perhaps a little hasty to infer that the urgency was the British Government's. If it was, it was generously and wisely introduced. But what is beyond guesswork is the fact that the British Government has rejected an excuse it might have pleaded against further immigration -- an excuse which Mr. Fraser, for example, offered it.

One difficulty we face (Mr. Fraser said, as reported on May 9) is that the kind of men we may need most urgently are the kind you in Britain may be most reluctant to lose. You have tremendous rebuilding to do in this country.

You will need all your building trade employees and tens of thousands of other skilled men. As far as other types of workers are concerned, there is a limit to agricultural development .....

But the excuse rejected by the British Government is at the same time withdrawn from Mr. Fraser and his colleagues. They cannot say, "It's useless to set our house in order and issue invitations. Nobody we want will be allowed and helped to come." They have been told that permission and help will be given, as they are needed and earned. According to Lord Cranborne, the New Zealand Government will begin to work on the problem as soon as Mr. Fraser returns. This is so much better than Mr. Fraser's "after that". But it is still necessary to say that the problem must be attacked as it deserves -- with the right weapons, determinedly, and without hampering preconceptions. It is necessary to say this for three clear reasons. First, when the Acting-Prime Minister, early this month, announced and explained the Organisation for National Development, he showed that one of its committees, under the chairmanship of the Hon. P. C. Webb, will deal with Labour and Immigration. It seems dangerously improbable that a committee doubly charged as this one is, and following the procedure outlined by Mr. Sullivan, will be able to cope with the problem and produce a policy. When the Cabinet comes to consider the matter, it should be able to shape a better instrument for the purpose. Second, Cabinet will not usefully consider the matter and no instrument will usefully work upon it, unless the preconception is first abandoned, that a "proper scheme" of immigration will have to wait until the Dominion's housing needs are satisfied and until the last tasks of "rehabilitation" are done. It is essential that investigation should extend to the chances of planning reconstruction and immigration in useful inter-relation. Third, the Cabinet will make a false start if it accepts the Prime Minister's view that New Zealand has scope for migrants only or mainly in the field of manufacturing industry. This view is not merely incomplete; it is reactionary; it disregards those new and wide prospects for New Zealand agriculture -- and at the same time for processing industries allied with it -- to which Mr. Cumberland has drawn attention. No investigation can be anything but self-stultifying if it precludes them. Though it is not strictly relevant to Lord Cranborne's statement, it is to be added that investigation should

- 3 -

also include the possibilities of selective immigration from non-European sources. New Zealand needs a constructive immigration policy. It cannot be improvised. But the search for it will fail if it is not competently directed, comprehensive, unprejudiced, and early.

\* \* \* \* \*

CABLE TO AMERICAN CONSULATE, JERUSALEM

Please deliver the following message to Messrs. Myerson and Remez, 115 Allenby Rd., Tel-Aviv, from Israel Mereminski of the General Federation of Jewish Labor in Palestine:

"YOURS JUNE SIXTH RECEIVED SAW DOBKINS TO GOLDMAN WHO ASKS ME APPROACH JDC WHILE HE DEALING POLITICAL ASPECT STOP MY CONVERSATION JDC CLEAR NOTHING BE ACCEPTED BEFORE YOU DISCUSS PROBLEMS SHWARTZ WHO ENROUTE PALESTINE STOP UNCLEAR DOBKINS MISSION LISBON WHEN SHWARTZ ABSENT STOP SURE GOOD PROSPECT FUNDS AFTER YOU EMPHASIZE SCWARTZ AND CABLE ME NEEDS PLANS HISTADRUT SEPARATELY AND TOGETHER JEWAGENCY ALSO WHAT DISCUSSED REZNIK STOP CLARIFYING MATTER SMALL BOATS STOP WRB CANNOT ACCEPT YOUR PROPOSAL SEGAL ZUCKERMAN BECAUSE GOVERNMENT OPPOSES DELEGATIONS ALSO BARLAS CABLES GOLDMAN WORK SUFFERING SURPLUS DELEGATES ACCEPT SHIND WHO HELPFUL STOP HIRSHMAN RETURNED ISTANBUL WHICH ENABLING SHIND FULL COOPERATION CABLE"

\*\*\*\*\*

June 20, 1944  
11:30 a.m.

FH:lab 6/19/44

CABLE TO LISBON

From War Refugee Board to Norweb

Please deliver the following message to Fritz Lichtenstein Dobkin, Tivoli Hotel, Lisbon, from Israel Mereminski of the General Federation of Jewish Labor in Palestine.

"CABLE DETAILS YOUR ACTIVITIES PLANS ALSO SPECIAL SUGGESTIONS HISTADRUT AND JEWAGENCY SEPARATELY STOP DOBKINS MAY 25 WISE GOLDMAN ALL FINANCIAL MATTERS HERE WAITING FIRST DISCUSSION JEWAGENCY AND HISTADRUT WITH SHWARTZ WHO ENROUTE PALESTINE STOP IF DOBKIN NEGOTIATED CABLE DETAILS"

THIS IS WRB LISBON CABLE NO. 40

\*\*\*\*\*  
June 20, 1944  
11:30 a.m.

FH:lab 6/19/44

A-474

June 20, 1944

10:10 a.m.

UNRESTRICTED

AMEMBASSY,

LISBON.

Dexter has informed War Refugee Board that the Embassy has inquired concerning the account to which the cost of his cables should be charged. The Embassy is authorized to include such charges in its regular accounts for reimbursement by WRB in accordance with Section V-45. Expenditures under this heading should be reported separately and not charged to miscellaneous expense account of \$2000 authorized for Dexter in Department's 1185, April 27.

HULL  
EPT

FA:WB:FE 6/13/44

WRB

BF

MJB  
Distribution of true  
reading only by special  
arrangement (SECRET W)

June 20, 1944

8 p.m.

AMLEGATION,

STOCKHOLM.  
1230

The cable below is for Olsen in reference your 1771  
of May 19 (17 to WRB) and is no. 31 from War Refugee Board.

\$5,000 will be transferred soon to Birger Pernow.

Director of the Svanska Israelsmissionen for Jewish  
relief, by the Board of National Missions of the  
Presbyterian Church in the United States of America.

Your approval of project will be provided for in license.

Possible availability additional \$5,000 indicated by

Presbyterians

HULL  
(GLW)

WRB:MMV:KG  
6/20/44

NOE

WT SWP  
S/CR

FEM - 111  
Distribution of true  
reading only by special  
arrangement. (SECRET W)

Stockholm

Dated June 20, 1944

Rec'd 12:49 p.m.

Secretary of State,

Washington.

2212, June 20 2 p.m.

(No. 33 for War Refugee Board)

Following message from Elise Ottsen Jensen to  
Frank Kingdom, International Rescue and Relief Committee,  
New York. Extremely thankful for \$1000 recently received  
and hope our previous cables arrived.

JOHNSTON.

WSB EB

FPM - 134  
Distribution of true  
reading only by special  
arrangement. (SECRET W)

Stockholm

Dated June 20, 1944

Rec'd 2:23 p.m.

Secretary of State,

Washington.

2215, June 20, 5 p.m.

Message from Hilelsterch to World Jewish Congress,  
New York fellows. This is our No. 34 for War Refugee  
Board.

Begin message:

About 105 Jewish refugees from Finland have  
now arrived mostly Germans and Austrians. Also  
arrived Selma S (\*) chelwitz who escaped from Riga  
with her husband Alexander Andersen. Her former name  
was Mrs. Janis Wabuls and her entire family was murdered  
in Riga. She urgently asks financial support from her  
uncle, Michel Shall, box 90, Bridgman, Michigan.  
Reports from here concerning happenings in Latvia are  
being sent through Iver Olsen of American Legation  
who does all he can to ease our peoples needs and  
sufferings. Chief Rabbe Ehrenpreis will have his  
75th Birthday on June 27 and please send him greetings.

JOHNSON.

EDA EMB  
(\*) apparent omission.

BE - 269  
Distribution of true  
reading only by special  
arrangement (SECRET W)

Stockholm

Dated June 20, 1944

Rec'd 7:45 p.m.

Secretary of State

Washington

2224, June 20, 8 p.m.

Please refer to Legation's despatch No. 3223 of April 24, 1944, providing certain material regarding the difficult circumstances of the seven or eight thousand stateless refugees in Sweden. This is our No. 35 for War Refugee Board. Largely as a result of our efforts the city of Stockholm has sponsored the organization of a committee for relief of stateless refugees, comprising a group prominently identified with civic and humanitarian activities. A central office will be established for the purpose of assisting this group of refugees with their variety of personal problems, of supplying guidance in obtaining employment and of providing direct relief in seriously distressed cases. Concrete programs have also been developed to supply educational facilities to these groups not only the children but others who have had specialized educational pursuits completely interrupted and who are in danger of becoming social problems.

The foregoing program meets a most urgent problem with respect to this group of refugees in Sweden, and the action taken by the city of Stockholm is very gratifying. It presents an unusual opportunity to demonstrate the American concern with this general type of problem and its desire to encourage and support this sort of a thing as part and parcel of a rescue and relief program. Consequently it is strongly recommended that American groups be found, as for example the International Rescue and Relief Committee who will together make a contribution of \$10,000 to further the activities of this committee formed by the city of Stockholm (Stockholms stad)

Such an action not only will contribute materially to the effectiveness of their program but will reflect in a most beneficial way the sincerity of the American concern with refugee problems.

JOHNSON

WSB RR

## PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern  
TO: Secretary of State, Washington  
DATED: June 20, 1944  
NUMBER: 3955

## CONFIDENTIAL

Reference is made herewith to your circular of June 15.

On June 16 we officially communicated to the Swiss Foreign Office the President's message. Also the message has been serviced to 145 newspapers in Switzerland and we have received assurances that every leading newspaper in the country will carry the message in full. We have provided editorial comment for seven influential German language and French language Swiss papers with combined country wide coverage. The subject will also be treated by Radio Suisse. Similarly we complied with instructions in your June 14 circular. WRB should be informed.

In order to disseminate the substance of the message in enemy territory we will use established channels and usual means.

HARRISON

MMS  
Distribution of true  
reading only by special  
arrangement. (SECRET W)

June 20, 1944

5 p.m.

War Refugee Board

AMEMBASSY,

ANKARA

553

The following WEB no. 56 is for Hirschmann.

A report at earliest possible time on status of Schleifer children case discussed with Hirschmann before his departure would be appreciated. The case has been previously taken up with Ambassador Steinhardt and Barlas we understand. If deemed desirable by you, Davila, who is interested in matter, has authorized the use of his name with Cretzianu. Necessary expense funds will be willingly provided by Schleifers.

HULL  
(GHW)

WEB:MMV:KG  
6/20/44

NE S/CR

FEM-350

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

Istanbul

Dated June 20, 1944

Rec'd 11:25 p.m.

Secretary of State,

Washington.

362, June 20, 9 a.m.

The following message to War Refugee Board is for Israel Merim, 510 West 112th Street, New York City, from Zeevshind. Barlas Jewish agency permanent contact Goldman general problems emigration and rescue. Our special mission sea transports. Transported last month's motorships 1712 refugees from Rumania and other countries. Working full speed utilizing present possibilities shortest time. On arrival here Jewish agency mainly thanks efforts Ambassador Steinhardt achieved Turkish transit. Influence joint to accomplish Kaplans demand regarding our further work as continuation depends upon immediate supply. As to broadcast from Allied countries they have influence only if accompanied practical facts. Neutral countries should be invited to accept Jewish mass immigration in transit to definite destination. Letter follows.

BERRY.

BB RR

LFG-42

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

Chungking via Navy

Dated June 20, 1944

Rec'd 9:40 a.m.

Secretary of State,  
Washington.

JUN 21 1944

1067, June 20, 1 a.m.

The following Chinese delegates to the United Nations Monetary and Financial Conference have been issued diplomatic visas and either have already left Chungking or will depart within near future.

Dr. H. H. Kung, Koo YEE-Chun, Vice Minister Finance; Tann Balls, Vice Minister Economic Affairs; Hoo CHE-Tsai (Victor Hoo) Vice Minister Foreign Affairs; technical experts: Pei Tsu YEE; Kwok King-Ling; Wang Yuan-Chao; Hsia Chin-Hsiung; secretaries: Chen Yen-Tsu; Daniel S. K. Chang; Lee Ise-Kyung; T Cheng Ping-Yeh; attaches: Chen Hsi-Hsiang; Woo Vung-Yuen; Koh Tung-Fei; Shen Chen-Pai; Kwo K. Chin-Kwong; medical officer: Dr. Yen Chen-Tien, physician to Dr. Kung. Dr. King will be accompanied also by son Kung Ling-Chieh and attendant Ling Tsu-Wei.

GAUSS

RR WSB

DEPARTMENT  
OF  
STATE

INCOMING  
TELEGRAM

DIVISION OF <sup>285</sup>  
COMMUNICATIONS  
AND RECORDS

LFG-339

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

Quito

Dated June 20, 1944

Rec'd 10:57 p.m.

Secretary of State,  
Washington.

636, June 20, 5 p.m.

DEPARTMENT OF STATE  
DIVISION OF  
JUN 21 1944  
COMMUNICATIONS  
AND RECORDS

The Ecuadoran Government has accepted the invitation to be represented at the United Nations Monetary and Financial Conference (Department's number 483, June 7, 6 p.m.) and has named as its delegates Estebanf. Carbo (head of delegation), financial counselor in the Ecuadoran Embassy in Washington, and Sixto Duran Ballen, Consul General at New York, both of whom are now in the United States. There will be no other personnel in the delegation.

SCOTTEN

BB RR

FROM: American Legation, Cairo  
 TO: Secretary of State, Washington  
 DATED: June 20, 1944  
 NO.: 1706

EMERGE

Reference is made herewith to Legation's cable dated June 10,  
 no. 1580.

All of the following is strictly confidential.

Disappointment over the composition of the Egyptian delegation to the Financial Conference is expressed by business circles in Cairo and Alexandria, pointing out that it is composed of medium rank civil servants and that it is headed by an ex-deputy auditor general now trading in speculative commodities in a small way, whose sole apparent qualification for the position as chief of delegation is that he is related to the Minister of Finance.

The same view has been privately and spontaneously expressed by several high Egyptian Government officials, comparing the delegation unfavorably with that sent to the Food Conference last year and they state that if the Minister of Finance could not proceed to Washington for internal political reasons he should have sent a responsible official of the National Bank of Egypt or the undersecretary.

The reaction of the British Embassy's Financial Counselor here is one of amusement which lends some color to the rumor current in trade circles that the British advised the Minister of Finance, well known for his pro-British leanings, against sending a strong delegation which might express independent opinion at the conference.

1. The head of the delegation, Sanny Lachany Bey, is a small business man and not influential. His favorite project is the organization of an American Chamber of Commerce in Cairo, perhaps as an agency for counteracting the influence of the British and aiding his own business.
2. Kamour Kaleb el Falaky Bey is the chief administrative officer of the Finance Ministry with little influence in matters of policy. He is regarded in some circles, as violently anti-British.
3. Ahmed Solim Bey is doubtless the most useful member of the delegation. In 1943 he was the delegate to the Food Conference at Hot Springs and he has been exceptionally well disposed towards the United States since his return. In day to day problems he has been most helpful to the Legation. While Falaky Bey slightly outranks him officially, he is probably more important from the policy point of view.
4. James I. Craig, connected formerly with the British Residency in Cairo, is 76 years old and very deaf but he has had much experience in Egyptian finances and is well informed.
5. Mrs. Francis Garrett is relied upon very greatly by the Minister of Finance and undoubtedly she has much influence with him.

Leon Dicky is a minor official of the Ministry of Finance.

82909M

FOUR

RA-212  
This telegram must be  
paraphrased before being  
communicated to anyone  
other than a Government  
agency. (RESTRICTED)

Lima

Dated June 20, 1944

Rec'd 5:40 p.m.

Secretary of State

Washington

818, June 20, 3 p.m.

DEPARTMENT OF STATE  
DIVISION OF  
JUN 21 1944  
COMMUNICATIONS  
AND RECORDS

Further reference is made to the Department's  
circular telegram of June 3, 6 p.m., and to Embassy's  
787, June 15, noon and 811, June 19, 2 p.m.

Foreign Office in view of preliminary stop at  
Washington of Peruvian delegation to Monetary Confer-  
ence requests hotel reservations there as well as  
at Breton Woods where delegation will require eight  
bedrooms seven for men and one for a woman. Two  
additional rooms for offices will be required.

WHITE

RR:WSB

## PARAPHRASE OF TELEGRAM RECEIVED

**FROM:** American Consulate, Accra  
**TO:** Secretary of State, Washington  
**DATE:** June 20, 1944  
**NUMBER:** 230

## CONFIDENTIAL

It was necessary that Drs. Michiel H. Dekeock and John E. Holloway, South African delegates to the Monetary Conference, leave Accra via ATC without their passports and visas during early morning of June 20 in order to maintain the schedule. It is requested that their entry into Miami, probably June 23, be facilitated by the Department. Their passports will be forwarded by air pouch to the Department when received in Accra.

BRUNS

DEPARTMENT  
OF  
STATE

INCOMING  
TELEGRAM

289  
DIVISION OF  
COMMUNICATIONS  
AND RECORDS

NMC-96

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

Caracas

Dated June 20, 1944

Rec'd 1:26 p.m.

Secretary of State,  
Washington.

US URGENT

644, June 20, 10 a.m.

Date of departure Venezuelan delegation  
should read June 24 (repeat 24). Embassy's  
640, June 19, 7 p.m.



CORRIGAN

BB REP

NOT TO BE RE-TRANSMITTEDCopy No. 11SECRETOPTEL No. 102 201

Information received up to 10 A.M. 20th June 1944.

1. NAVAL

Yesterday a force 6 Northerly wind caused breakers on the beaches and greatly hampered unloading. Shuttle service by small craft to the Eastern area was suspended and minesweeping stopped.

During 18th/19th there were two air raids on the Eastern area with considerable minelaying and some bombing. One tank landing ship was mined and sunk on the Western beaches. Two of H.M. Destroyers attacked by 7 torpedoes JU.88's on 18th/19th off CAPE BARFLEUR. One was slightly damaged. One of H.M. Destroyers damaged by enemy action last autumn capsized and sank when being towed from BARI to TARANTO on 18th.

2. MILITARY

France U.S. forces have made substantial gains in their northward advance towards CHERBOURG and have captured BRIQUEBEC and recaptured MONTBOURG. Advance elements within 16 miles CHERBOURG on 18 mile front. British troops have re-captured TILLY SUR SEULLES.

Italy In ADRIATIC Sector Polish troops have advanced and leading elements are across the TRONTO and TESINO. Fighting continues around PERUGIA. U.K. troops have reached the Southern shores of LAKE TRASIMENO.

Elbe French troops have captured PORTO FERRAIO.

Finland Russians have widened breach in the Mannerheim line to 30 miles, from MUOLAA to GULF OF FINLAND and have captured ROKKOLA 10 miles South of VIBORG.

3. AIR OPERATIONS

Western Front 19th. Fortresses and Liberators dropped 492 tons on five airfields in South West FRANCE with good results and 988 tons on military constructions PAS DE CALAIS and in ABBEVILLE. AMIENS area with results generally unobserved. Military constructions PAS DE CALAIS were also attacked by 17 Lancasters and 9 Mosquitoes - 91 tons, targets identified visually by most aircraft. According to preliminary reports Mitchell's of A.E.A.F. dropped 14 tons on military constructions and 203 fighters flew bridge head patrols. Nine heavy bombers, 21 fighters missing.

19th/20th. All bomber command operations cancelled through weather.

Enemy During 24 hours ended 6 A.M. today 63 flying bombs launched against this country; 53 flew over South East ENGLAND of which 26 reached GREAT LONDON. Preliminary reports state 27 destroyed by fighters, (1 missing)

Italy 18th. All strategic operations cancelled through weather. Fighters attacked objectives in CENTRAL ITALY and ELBA.

4. HOME SECURITY

19th. Between 6 A.M. and 6 P.M. 13 flying bombs fell in 11 LONDON Boroughs, two in KENT, 5 in SUSSEX, 5 in SURREY and 1 in HAMPSHIRE. Between 6 P.M. 19th and 6 A.M. 20th 14 flying bombs reported from 13 LONDON Boroughs and incidents in KENT, SURREY, SUSSEX, BERKSHIRE and BUCKINGHAM. In LEWISHAM, school hit with 5 fatal casualties; Southwark - hospital and block of flats hit and shelter flooded.

Casualties LONDON 6 A.M. 19th to 6 A.M. 20 so far reported killed 99; seriously wounded 280, unclassified 158. Casualties in chapel on 18th now reported killed 94 including service 53, seriously wounded 60, including 50 service.

Regraded Unclassified